



Carlos Jackson
Executive Director

**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office

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Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

**AGENDA
FOR THE REGULAR MEETING OF THE
LOS ANGELES COUNTY HOUSING COMMISSION
WEDNESDAY, AUGUST 22, 2007
12:00 NOON
SOUTH BAY GARDENS
230 E. 130TH STREET
LOS ANGELES, CA 90061
(323) 242-1717**

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1. Call to Order

2. Roll Call

Lynn Caffrey Gabriel, Chair
Henry Porter, Jr., Vice Chair
Severyn Aszkenazy
Philip Dauk
Adriana Martinez
Bertha Scott

3. Reading and Approval of the Minutes of the Previous Meetings

Regular Meeting of May 23, 2007

Regular Meeting of July 25, 2007

4. Report of the Executive Director

5. Public Comments

The public may speak on matters that are within the jurisdiction of the Housing Commission. Each person is limited to three minutes.

6. Staff Presentations

Fraud Prevention Program – Bob Nishimura



Regular Agenda

7. Concurrence of Board of Supervisors/Commissioners Action On The Housing Authority Corrective Action Plan For The Housing Choice Voucher (Section 8) Program

Concur with Board of Supervisors/Commissioners adoption of a motion directing the Board of Supervisors to send a five-signature letter to HUD Secretary Alphonso Jackson requesting an immediate meeting with HUD to directly address their concerns and decide the additional steps that will eliminate the "troubled" designation for the Housing Authority's Housing Choice Voucher (Section 8) Program.

8. Concurrence of Board of Supervisors/Commissioners Action Authorizing Signing Of The Housing Authority Corrective Action Plan For The Housing Choice Voucher (Section 8) Program

Concur with Board of Supervisors/Commissioners adoption of a motion to approve the Housing Authority Housing Choice Voucher (Section 8) Corrective Action Plan; authorize the Chair of the Board and the Executive Director of the Housing Authority to sign the Corrective Action Plan; authorize the Executive Director to take all actions necessary to implement the Corrective Action Plan.

9. Approve Amendment No. 1 to Contract with Del Richardson and Associates, Inc. for Housing Locator Services (All Districts)

Recommend approval and find that the Amendment No. 1 to the contract for housing locator services (Contract) is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the activities are not defined as a project under CEQA; authorize the Executive Director to execute Amendment No. 1 to the Contract between the Housing Authority and Del Richardson and Associates, Inc. (Consultant) for housing locator services, to increase the compensation amount by up to \$750,000 in funds to be received from the Department of Social Services (DPSS), to extend the term of the Contract through December 31, 2008, with two one-year options to extend, and to increase the number of recipients of housing locator services by 1,000, following approval as to form by County Counsel; authorize the Executive Director to execute any necessary, non-monetary amendments to the Contract for the purposes described above, following approval as to form by County Counsel; authorize the Executive Director to accept up to \$750,000 in funds from DPSS and incorporate said funds, as needed, into the Housing Authority's approved 2007-2008 fiscal year budget. (APPROVE)

10. Housing Commissioners Comments and Recommendations for Future Agenda Items

Housing Commissioners may provide comments or suggestions for future Agenda items.

Copies of the preceding agenda items are on file and are available for public inspection between 8:00 a.m. and 5:00 p.m., Monday through Friday, at the Housing Authority's main office located at 2 Coral Circle in the City of Monterey Park. Access to the agenda and supporting documents is also available on the Housing Authority's website.

Agendas in Braille are available upon request. American Sign Language (ASL) interpreters, or reasonable modifications to Housing Commission meeting policies and/or procedures, to assist members of the disabled community who would like to request a disability-related accommodation in addressing the Commission, are available if requested at least three business days prior to the Board meeting. Later requests will be accommodated to the extent possible. Please contact the Executive Office of the Housing Authority by phone at (323) 838-5051, or by e-mail at marisol.ramirez@lacdc.org, from 8:00 a.m. to 5:00 p.m., Monday through Friday.

THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES

MINUTES FOR THE REGULAR MEETING OF THE

LOS ANGELES COUNTY HOUSING COMMISSION

Wednesday, July 25, 2007

The meeting was convened at the Harbor Hills Community Center located at 26607 Western Avenue, Lomita, California.

Digest of the meeting. The Minutes are being reported seriatim. A taped record is on file at the main office of the Housing Authority.

The meeting was called to order by Chair Lynn Caffrey Gabriel at **12:26 p.m.**

ROLL CALL	<u>Present</u>	<u>Absent</u>
Lynn Caffrey Gabriel	X	
Henry Porter, Jr.	X	
Severyn Aszkenazy		X
Philip Dauk		X
Adriana Martinez	X	
Bertha Scott	X	

PARTIAL LIST OF STAFF PRESENT:

Carlos Jackson, Executive Director
Bobbette Glover, Assistant Executive Director
Emilio Salas, Director, Administrative Services
Maria Badrakhhan, Director, Housing Management
Linda Alexander, Manager, Office of Community and Educational Partnerships

GUESTS PRESENT:

No guests were present.

Reading and Approval of the Minutes of the Previous Meeting

Commissioner Scott abstained from voting because she was not at the prior meeting. The other Commissioners chose not to vote to approve the Minutes.

Agenda Item No. 4 - Report of the Executive Director

Carlos Jackson reported on the following items:

Efforts are being made to remove the Section 8 Program from troubled status by improving the lease-up rate. Eighty new contracts were executed in July 2006, and six hundred new contracts were executed in July 2007. A firm is currently under contract until December 2007 to help voucher holders find units; and in May 2007, the new SocialSevice.com web site will help landlords with available units connect with voucher holders.

HUD's scoring of the Housing Authority as a troubled agency is based on annual re-examinations, unit inspections, lease-up rates, pre-contract management, tenant rent calculations and the Family Self Sufficiency Program (FSS). Recent improvements are expected to result in a total of 90 points for all indicators in the self-assessment. This will remove the Housing Authority from troubled status to standard performer.

Margarita Lares-Herrera, Administrative Manager for the Section 8 Program, reported on the interim customer service call center that will open next week with 20 employees. The goal is to answer 8,000 telephone calls per month and minimize unnecessary returned calls. In October 2007, a centralized call center will open that will help improve interaction with voucher holders.

In June 2007, HUD provided a draft corrective action plan to remove the Housing Authority from troubled status. Eighty percent of the plan has been implemented, and an updated plan has been requested from HUD.

The final report from the Office of Inspector General is expected in July 2007. The audit review covered 52 files. The Housing Authority has asked HUD to include in the final report the changes that have been made since the initial audit review.

A contract is being developed with the Department of Public Social Services (DPSS), under which the Housing Authority will provide housing vouchers for special needs DPSS clients, and DPSS will provide funding for expanded housing locator services.

HUD has not responded to resident concerns about Ujima Village. County Counsel has concurred with the Housing Authority's wish to seek outside environmental counsel. Congresswoman Maxine Waters may be able to assist and her office has been informed. Residents are being updated.

Linda Alexander announced a three-year grant award from the Corporation of National Community Service to fund the Vista Program to address issues of poverty, education and literacy. Twelve Vista participants will provide services for youths and seniors and assist with ongoing programs, such as the ROSS program.

Bobbette Glover reported on the following:

In response to the Request for Proposal (RFP) issued for the Harbor Hills Child Care Center, one proposal was received from the Child Development Consortium. The agency currently operates the Bright Futures Child Development Center. The evaluation committee will make the final recommendation on proposal selection. The center is expected to open in December 2007.

Elisa Vasquez was introduced as the new Intergovernmental Relations Unit Manager.

Ms. Bertha Scott, a resident of Lancaster Homes, was welcomed as the new Housing Commissioner.

Agenda Item No. 5 - Public Comments

No comments were received from the public.

Agenda Item No. 6 – Staff Presentations

Bobbette Glover presented the Community Development Foundation Scholarship awards to the following recipients: Nhan Hong Ly, Niente Q. Johnson, Maria Elena Lara, Alexis Jalene Moody, Traci Lynne Harris.

Ms. Glover also presented the Juvenile Justice Crime Prevention Act Scholarship Awards to Dominique Shirley and Janet Gomez.

Geoffrey Siebens presented the Quarterly Construction Contract Status Report and answered questions from the Commissioners.

Tricia Tasto presented the Legislative Update and answered questions from the Commissioners.

Regular Agenda

On Motion by Commissioner Porter, seconded by Commissioner Martinez, and unanimously carried, the following was approved by the Housing Commission:

**APPROVE CONSTRUCTION CONTRACT FOR CARMELITOS AND FRANCISQUITO VILLA SENIOR HOUSING FLOORING REPLACEMENT (1, 4)
AGENDA ITEM NO. 7**

1. Recommend that the Board of Commissioners find that the approval of a construction contract for flooring replacement at the Carmelitos senior housing development located at 761 and 817 Via Carmelitos, in the City of Long Beach, and at the Francisquito Villa senior housing development located at 14622 Francisquito Avenue, in the unincorporated area of Los Angeles County, is exempt from the provisions of the California Environmental Quality Act (CEQA), as described herein, because the work includes activities that will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve the award of the Construction Contract (Contract) in the amount of \$599,418 to Continental Flooring Company, to complete the flooring replacement at the subject properties; and authorize the Executive Director of the Housing Authority of the County of Los Angeles to execute the Contract and all related documents, following approval as to form by County Counsel and effective upon the issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval.
3. Recommend that the Board of Commissioners authorize the Executive Director to use a total of \$599,418 in Capital Funds Program (CFP) funds provided by the U.S. Department of Housing and Urban Development (HUD), for the purposes described herein; and authorize the Executive Director to approve Contract change orders not exceeding \$119,884 for unforeseen project costs, using the same source of funds.
4. Recommend that the Board of Commissioners authorize the Executive Director to incorporate into the approved Fiscal Year 2007-2008 budget of the Housing Authority, a total of \$719,302 in CFP funds, for the purposes described above.

On Motion by Commissioner Martinez, seconded by Commissioner Porter, and unanimously carried, the following was approved by the Housing Commission:

ADOPT RESOLUTION APPROVING AND CERTIFYING
PUBLIC HOUSING ASSESSMENT SYSTEM MANAGEMENT
OPERATIONS CERTIFICATION (ALL DISTRICTS)
AGENDA ITEM NO. 8

1. Recommend that the Board of Commissioners find that the Resolution approving and certifying Public Housing Assessment System Management Operations Certification (PHAS Certification) is not subject to the California Environmental Quality Act (CEQA), because the proposed activity will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners adopt and instruct the Chair to sign the attached Resolution approving and certifying the accuracy of the information contained in the 2006-2007 PHAS Certification, which includes management data on 2,958 Conventional Public Housing Program units administered by the Housing Authority of the County of Los Angeles.
3. Recommend that the Board of Commissioners authorize the Executive Director of the Housing Authority to sign the PHAS Certification and to submit the Resolution and the PHAS Certification to the U.S. Department of Housing and Urban Development (HUD).

On Motion of Concurrence by Commissioner Porter, seconded by Commissioner Martinez, and unanimously carried, the following was approved by the Housing Commission:

MOTION BY COMMISSIONER BURKE TO AMEND INTERAGENCY
AGREEMENT WITH THE HOUSING AUTHORITY OF THE CITY OF LOS
ANGELES (HACLA) TO PERMIT RECIPROCAL USE OF SECTION 8
CERTIFICATES BY PARTICIPANTS IN BOTH JURISDICTIONS, AND
APPROVE RELATED ACTIONS
AGENDA ITEM NO. 9

1. Recommend that the Board of Commissioners find that executing Amendment No. 1 to the Agreement (Amendment), attached in substantially final form, is not subject to the provisions of the California Environmental Quality Act (CEQA), because the activity does not have the potential for causing a significant effect on the environment.

2. Recommend that the Board of Commissioners authorize the Executive Director to modify the Interagency Agreement to allow County recipients under any of the Housing Authority's and HACLA's SPC-TRA Programs to use their certificates within the boundaries of the City of Los Angeles, the County's unincorporated areas, and cities participating in the County's program.
3. Recommend that the Board of Commissioners authorize the Executive Director to extend the term of the Agreement for up to an additional 2 years if the arrangement is satisfactory to the parties, and to incorporate any other administrative provisions that may be required for the purposes described above, following approval as to form by County Counsel.
4. Recommend that the Board of Commissioners authorize the Executive Director to execute the Amendment, following approval as to form by County Counsel.

On Motion by Commissioner Porter, seconded by Commissioner Martinez, and unanimously carried, the following was approved by the Housing Commission:

APPROVE CONSTRUCTION CONTRACT FOR PHASE THREE OF THE
GAS LINE REPLACEMENT AT CARMELITOS FAMILY HOUSING
DEVELOPMENT IN THE CITY OF LONG BEACH (4)
AGENDA ITEM NO. 10

1. Recommend that the Board of Commissioners find that the replacement of natural gas lines serving 176 units at the Carmelitos family housing development, located at 1000 Via Wanda, in the City of Long Beach, is exempt from the provisions of the California Environmental Quality Act (CEQA), as described herein, because the work involves activities that will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve the award of a Construction Contract (Contract) in the amount of \$1,205,123 to M.L. Construction, to complete phase three of the gas line replacement at the subject property; and authorize the Executive Director of the Housing Authority of the County of Los Angeles to execute the Contract and all related documents, following approval as to form by County Counsel and effective upon the issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval.
3. Recommend that the Board of Commissioners authorize the Executive Director to use a total of \$1,205,123 in Capital Funds Program (CFP) funds provided by the U.S. Department of Housing and Urban Development (HUD), for the purposes described herein; and authorize the Executive Director to approve Contract change orders not exceeding \$241,025 for unforeseen project costs, using the same source of funds.


**Agenda Item No. 11 – Housing Commissioner Comments and
Recommendations for Future Agenda Items**

Commissioner Porter appreciates receiving the news articles as well as the House Notes included in the Housing Commission package.

Commissioner Martinez announced that she might not attend the next Housing Commission Meeting.

On Motion by Commissioner Porter, the Regular Meeting of July 25, 2007, was adjourned at 2:05 p.m.

Respectfully submitted,


for CARLOS JACKSON
Secretary -Treasurer

Housing Authority - County of Los Angeles

August 22, 2007

FOR YOUR INFORMATION ONLY

TO: Housing Commissioners
FROM: Pat Jones, Manager
Assisted Housing Division

RE: **THE FAMILY SELF-SUFFICIENCY (FSS) PROGRAM**

FSS Program Update for July

- The Family Self Sufficiency staff continued its ongoing recruitment efforts, with a total of 14 new applicants.
- FSS staff processed 14 eligible pre-applications for the Family Self Sufficiency Program.
- FSS staff prepared 1 Contracts of Participation for a potential FSS participant.
- FSS staff enrolled 1 new participant in the FSS program.
- FSS staff attended 1 partnership meeting and gave a Family Self Sufficiency presentation to 11 partnered agencies.
- Resource information on the Small Business Development Center, GED Hotline, WorkSource Network, Better Business Bureau information, Adult Education, Job Fair information and job leads were disseminated during the recruitment efforts and case management activities.
- FSS staff referred over 54 potential FSS participants to WorkSource Centers resource and job search assistance.
- FSS staff issued 13 Credit Repair packets to potential FSS participants and 2 packet to an existing FSS participant during the month of July.
- FSS staff communicated with and assisted 106 FSS participants with supportive services information and general Housing Choice Voucher questions.

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- Resource information for employment opportunities, budgeting, money saving tips and homeownership workshops were disseminated to 17 FSS participants and potential participants during the July voucher re-issuance appointments.
- FSS staff referred 3 Section 8 tenants to Operation Hope Home Ownership Program per the tenant's request.
- FSS staff referred 3 FSS participant to the CDC Home Ownership Program (HOP) per the tenant's request.
- FSS staff mailed job resources to 7 FSS participants with their annual modification letters.

Graduates

During the month of July, There was one graduate from the Family Self Sufficiency's Housing Choice Voucher Program. The total number of graduates to date is 173.

If you have any further questions, please feel free to call me at (562) 347-4880, Ext. 8607.

PJ/WB:rag

Diverse - Fairfax,VA,USA
From Diverse Online

Archives 1998

Telemedicine in the 'hood - treating patients from a remote location with aid of high-technology communications

By Jordan Elgrably
Jul 14, 2007, 05:24

Technology enables an historically Black medical college to serve poor Los Angelenos at greatly reduced costs

Sean Morris's eyes worry him; they hurt sometimes and he wonders what to do about it. A friend's report of a six-month wait for exams at the county hospital had discouraged him from seeking help. But recently, the twenty-four-year-old discovered the Carmelitos Teleophthalmology Center only a short walk from his home. *

Morris calls to make an appointment and, to his surprise, is scheduled for the next day. After filling out the necessary paperwork on the day of his visit, medical assistant Denise Kelly, leads him into the examination room and introduces him to a young ophthalmology resident from Drew University, Dr. Michelle Banks. Banks first takes several pictures of Morris's eyes from varying angles using a computerized retinal camera. This digital camera is connected by a cable to a computer, and Morris is amazed to see his eyeballs floating instantaneously onto the computer screen. Thanks to this innovation, testing him for glaucoma won't require the traditional dilation with numbing eye drops.

Also viewing the digitized images of Morris's eyes is Dr. Yadavinder Dang -- an ophthalmologist sitting at his computer five miles away at the King-Drew Medical Center. Banks and Dang discuss Morris's eyes; Morris can see and hear Dr. Dang on the screen, and the doctor is able to study this patient thoroughly without even being in the room.

While a high percentage of new patients arrive at Carmelitos with serious eye problems, Morris gets a clean bill of health. His condition is diagnosed as "dry eye" -- nothing a little vial of artificial tears can't remedy.

Big-city public hospitals can be antiseptic, anonymous, and anything but userfriendly -- particularly if you are an uninsured patient without easy access to preventive treatment. Recognizing that the Black and Latino population in their county service area of 1.4 million Angelenos is already woefully underserved by existing facilities, two African American ophthalmologists have almost single-handedly launched the nation's first urban telemedicine program.

Using leading-edge technology that includes videoconferencing, online computers, and advanced software, thirty-four-year-old Dr. Charles J. Flowers Jr. and forty-five-year-old Dr. Richard S. Baker co-direct a new telemedicine program at the Carmelitos Housing Development, the largest housing development in Los Angeles. However, thanks to the new advances in information technology, they can do their directing from a distance.

Flowers and Baker work from their base at the King-Drew Medical Center and Charles R. Drew University of Medicine and Science, located in the Watts/Willowbrook area of Los Angeles. They communicate in real time with an on-site physician and two medical assistants, who examine Carmelitos residents like Shawn.

"Sixty percent of the population coming in already have disease," says Baker. "Forty percent need serious treatment, and 7 percent are already blind in one eye."

The Carmelitos clinic, situated in the housing project's community center, is the first of five such locations scheduled to go online within the next few months. One test site already operational is the Grace Four Transitional Home, a private care facility located on a quiet lower residential street, where developmentally disabled residents can videoconference with clinical psychologist Dr. Joan Cooper, over at King-Drew. Since the program's inception in October 1996, five doctors have been trained at the center.

While telemedical technology may strike some as intimidating, the learning curve for physicians is minimal.

"Doctors with only basic computing skills can be trained in a couple of hours," says the program's information specialist, Ian Denchesy -- who points out that it took Dr. Joan Cooper, a clinical psychologist, only about forty-five minutes before she was functional.

"I am totally unwashed," says Cooper. "This program is really a testament to the human spirit, that you can do anything when the technology is good and you have good people to work with."

According to Denchesy, who is the Management Information Systems (MIS) director for Drew's Research Centers in Minority Institutions (RCMI), a program funded by the National Institutes of Health, "Once completed, King-Drew will have the world's most comprehensive telemedicine network, serving an estimated 4,000 to 5,000 patients throughout Los Angeles County in 1999."

And Baker points out, "In the first year we were up and running, we saw more patients than 70 to 80 percent of all other telemedicine programs that had gone before us."

Space-Age Technology

Telemedicine, the ability to work on a patient while being physically removed from that patient through high-tech virtual treatment, has been around since the early 1960s. The National Aeronautic and Space Administration first developed the concept so that doctors could consult astronauts thousands of miles away in space. Currently, it is used almost exclusively in rural areas and prisons as a way to minimize healthcare costs.

Additionally, foreign doctors sometimes tap into U.S. expertise through telemedicine links. The U.S. Army has a \$30-million system in place in Bosnia, according to The New York Times, which links "medical staff there to physicians at military bases around the world."

Determined to innovate, Flowers and Baker did what any pioneering team must to prove just how serious they are about an untested program. The doctors used their own credit cards, when necessary, to jump-start urban telemedicine back in the fall of 1996. A year earlier, Flowers, who is an avid reader of PC Magazine, realized that the technology already existed.

Flowers and Baker completed initial developmental research and took frequent trips together around the country to examine compatible hardware and software. Baker drew on modest funds from his budget as director of Drew's RCMI to cover some communications expenses in the early stages, including the purchase of two computers.

Today, each telemedicine site -- including the Martin Luther King Eye Clinic, the Carmelitos Clinic, and Grace Four Transitional Home -- is outfitted with a standard Pentium personal computer (PC), a Vtel SmartStation videoconferencing system, a Second Opinion Software patient record system, Internet Explorer 4, Netmeeting, and Microsoft Office Professional.

As part of their big-picture strategy, Flowers and Baker also head Drew's new urban informatics test bed -- a laboratory in which new information technology and medical examination processes are integrated.

"What we do," Baker says, "is take technology and try different approaches to see what works and what doesn't to actually provide the most bang for the buck in terms of economic feasibility."

Physicians at urban hospitals around the country can testify to the frequent bottlenecks that occur in waiting rooms which service treatment facilities for uninsured and Medicaid/Medicare patients.

"In our setting, we just don't have enough board-certified physicians available to meet the heavy demand," Baker says. "With telemedicine coming in at a third of the cost, we can staff these clinics and we can optimize the allocation of our primary resource, which is manpower."

One of the innovations arising from Drew's urban informatics test bed will be a new "telemedicine technician," who will already have the basic training of an allied health professional or medical assistant. The technician will then get cross-trained in a variety of fields.

"So an ophthalmologist making six figures will be converted into several technicians at a lower cost, creating more jobs," Baker says.

But if such programs churn out telemedicine technicians and their multiple deployment, might that not affect a specialist's earning potential?

"No," Baker insists, "you're optimizing resources and delivery. The technicians with the right training and protocols can provide that first tier of care. And your [boutique] ophthalmologist can expand his market share by having a telemedical system in place. It's a way for doctors to go into areas where they hadn't ventured before. And it's a way to lock in a referral source."

Getting off the Ground

While the early stages of the urban telemedicine program may have struck the Drew bean counters as a lose-lose situation, it has become apparent to many in the medical establishment that lucrative possibilities abound. The field already has its own advocacy group, the American Telemedical Association (ATA) in Washington, D.C. Additionally, the Telemedicine Research Center (TRC) in Portland, Oregon, has set up a Web site called the "Telemedicine Information Exchange," which now averages approximately 50,000 hits a month.

"The Drew urban telemedicine program is the only such program in the nation right now that is serving a specific inner-city network," says Glenn Wachter, research associate at TRC. "That makes them very unique indeed."

Telemedicine, however, has yet to receive across-the-board approval from private and public insurers. Currently, teleradiology is one of the few telemedicine specializations reimbursed by Medicare. As a high-profile industry, it may be a few more years before telemedicine sweeps the country.

"Telemedicine is developing slowly, and that's as it should be," says the ATA's John Linkous.

Actually, it wasn't until November 1997 that Flowers and Baker published the first peer-review report on their ground-breaking project, in *Telemedicine Journal*.

"Quite often," notes Flowers with a bemused smile, "doctors in the system have no idea what we're doing. A lot of them find out about these projects by reading [journalism] articles."



The first major seed money for the project -- a \$49,000 grant -- came from the Los Angeles County Community Development Commission (CDC). After nearly a year of successful patient treatment at Carmelitos, CDC official Carlos Jackson decided Flowers and Baker could use some help from Capitol Hill. Jackson engaged a lobbyist who drummed up the support of Millendar-McDonald, one of the project's most ambitious fundraisers and the driving force behind bill H.R. 4274, which is currently up for approval before the House Appropriations Subcommittee on Labor, Health, Human Services, and Education. The bill, which seems likely to pass, includes a \$1 million grant for Drew's urban telemedicine program.

"We are looking into other major health areas which telemedicine can address -including hypertension, diabetes, lupus, and leukemia," says Millendar-McDonald. "The bill has been sent to the Senate side and [Health Resources Services Administration Deputy Director] Tom Wolford has promised to fund this project."

Drew University, unfortunately, doesn't have the deep pockets of a UCLA or a Cornell, Flowers's alma mater.

"Our physicians have to go through a lot of challenges to prove themselves, and we do our best to support them," says Drew Vice President for Advancement Robert I. Woods Jr.

Despite Drew's \$62 million annual budget, discretionary funds are modest, and most of the university's programs must be funded by outside sources. Woods noted that a new strategic plan is in the works, however.

"I would expect that Dr. Flowers's and Dr. Baker's work will be very much highlighted in the plan as a way to go," Woods says. "The president [Dr. Charles K. Francis] always speaks of it as one of the highlights of the institution."

Created partially in response to the 1965 Watts Rebellion, Drew University is a postgraduate medical school that was founded in 1966 and named in honor of the brilliant Black physician, Dr. Charles R. Drew (1904-1950). Drew became famous for his pioneering work in blood preservation during World War II. Ironically, he bled to death from injuries sustained in an auto accident when he was only forty-six years old.

Often, notes Baker, people assume that proximity to a hospital equates with easy access. But that is not necessarily so. As a county official recently told Baker, a gunshot victim from one public housing project, situated only two blocks away from the nearest medical facility, barely made it in alive. That two-block radius happens to be divvied up by three different gangs.

"Don't ask me how," Baker says, "but obviously if you go to that health center, you have to have a life-and-death situation."

Culture Specific

Dr. Flowers is excited about where the urban telemedicine program may go, in part, because it can be tailored to a precise cultural population.

"Not only are you looking at a paradigm shift with respect to how healthcare is being delivered," he says, "but you're looking at a change in the culture. One of the things we saw as we went around the country was that many of these sort of high-falutin' telemedicine systems were gathering dust

because people weren't using them. Not only does telemedicine have to be doctor-friendly, it has to appeal to the patient as well."

Urban telemedicine can be "culture specific" because, adds Dr. Baker, "you can deliver healthcare within the community of the participant, rather than taking the person out of that community and putting them in a foreign environment. If you have a largely Latino environment, for instance, your site can be linguistically and culturally Latino because some of the practices include both alternative and traditional allopathic approaches.

Cooper, the clinical psychologist, appreciates this pioneering program because the equipment "is not only going to allow me to have direct service contact with some of these clients at the place where they need intervention, but this will also enable mental healthcare professionals to expand their knowledge and abilities to do a better diagnostic on site and come up with a better treatment plan for people with psychiatric disorders.

"I have been delivering mental health services to this special population for nearly twenty years, and with the Department of Health Services and then the L.A. County Health Services major crash back in '95, we had a major gap. So this is really exciting now," he adds.

Soon, Dr. Flowers says, federal, state, and private funding for urban telemedicine will permit his team to expand into cardiology, dermatology, and ENT (ear-nosethroat). And in addition to serving a disadvantaged population, the program provides for leading-edge education of young doctors.

"Our clinic at King is so backlogged, we work appointments four months in advance," says Banks, who commutes between King-Drew and Carmelitos. "Here, I can do the examination while they observe me and we can actually incorporate the patient into our dialogue. The program has all the advantages of being at a university, right here in the community."

Jordan Elgrably is a freelance reporter who has written on culture and society for such publications as the Los Angeles Times and The Washington Post.

WANT MORE INFORMATION?

Contact: Telemedicine Information Exchange at <www.telemed.org>; American Telemedicine Association at <www.atmeda.org>; and/or Ian Denchesy of Drew University at <iadencha@cdrewu.edu>.

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L.A. Housing Department criticized

Audit says lack of oversight costs agency millions

BY KERRY CAVANAUGH, Staff Writer
LA Daily News

Article Last Updated:07/16/2007 10:35:36 PM PDT

Despite a tight budget to build and maintain affordable homes, the Los Angeles Housing Department has lost millions of dollars by failing to ensure borrowers comply with loan promises and sometimes lends money to developers who have defaulted on previous city loans, according to an audit released Monday.

The Housing Department has made big improvements in how it manages and monitors loans, but the agency still loses an estimated \$6 million a year in potential income because it doesn't have the staff to review annual financial statements submitted by borrowers, City Controller Laura Chick wrote in the audit.

"These very important public dollars are needed to provide safe and livable neighborhoods through the development and preservation of decent and affordable housing," Chick said. "It is essential that we ensure the public that these monies are meeting their intended targets."

The Housing Department provides loans to first-time homebuyers and seed money to developers to build low-income rentals. The agency oversees a \$100 million affordable trust fund, which helped fund 4,765 new units from 2004-2006, and manages a \$735 million loan portfolio.

Housing General Manager Mercedes Marquez, who has led the department since 2004, disputed some of Chick's assertions and pointed out that her staff has collected \$50 million by cracking down on delinquent loans and stalled projects. But she said she agreed with the spirit of the audit.

"The direction that the controller goes in, I would agree with because it's the same direction I've been going in for three years," she said. "We have to be public sector entrepreneurs."

The audit found that the Housing Department concentrates too much money among a pool of 30 developers - many of whom have defaulted on loans. And the department continues to loan developers money after they have failed to pay back loans on time - contrary to city policy.

Marquez said the department has recruited for-profit developers to apply for loans, and had 26 more applications for funding in the beginning of 2007 than in all of 2003. Plus, the department now checks the loan history and performance of every borrower before approving new loans.

In addition, the audit found the department is slow to collect on delinquent borrowers. Auditors found 101 loans worth \$34 million that were behind payment and unresolved.

The department is also quick to write off loans and has unnecessarily lost money on some projects, the audit found.

In one example, it wrote off \$1.4 million owed by the developer of the Tupper Tobias Village housing project in Panorama City.

In 2001, the city loaned the developer \$3.4 million to build 14 houses that would be sold to low-income homebuyers, but Tupper-Tobias LLC had financial problems and couldn't recoup construction costs through the home sales.

Then the Housing Department provided mortgage assistance to the homebuyers, but did not require equity sharing or any requirement that the homes be resold to low-income residents.

One buyer bought one of the new four-bedroom homes in 2003 for \$182,000 and sold the house six months later for \$348,000.

"To me there's something wrong with selling houses at such a low price, and then the folks who buy it in a year or two turning around (selling) and making a big profit," Chick said.

"This program is about helping families of limited means get their foot in their door. If they are benefiting by hundreds of thousands of dollars, let's help the next family out."

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(213) 978-0390

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Monday, July 16, 2007

Contact: Tricia Tasto, County Community Development Commission, 323-890-7182 (o),
323-864-0476 (c)

COUNTY RECEIVES AmeriCORPS*VISTA AWARD

"Volunteers in Service to America" assigned to the County's public housing sites for a three-year period

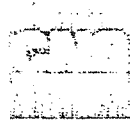
LOS ANGELES, CALIFORNIA – July 16, 2007. Today, the Los Angeles County Community Development Commission (CDC) begins a three-year partnership with AmeriCorps*VISTA (Volunteers in Service to America). VISTA, established in 1964 by President Lyndon B. Johnson, is a project of the Corporation for National and Community Service, an independent federal agency created to connect Americans of all ages and backgrounds with opportunities to give back to their communities and their nation. It functions as the "domestic PeaceCorps", providing full-time, one-year opportunities for men and women from all backgrounds to help further local efforts in supporting literacy and alleviating poverty facing our communities.

Seven VISTA members will join two fellow members today to work toward empowering the County's public housing communities. Under the guidance of the CDC's Office of Community and Educational Partnerships, VISTA members will serve in resident services programs located throughout the County's public housing sites. Areas of service include education and literacy, youth development and senior services. Additionally, one VISTA member will work in resource development to address the sustainability of public housing programs. Members will work diligently to mobilize community resources and aid in strengthening the County's capacity to serve its public housing residents. CDC will be housing some VISTA members in the County's public housing communities, thereby increasing their knowledge and understanding of the barriers that face these communities.

"We are excited about this partnership and thankful to the Corporation for National and Community Service for their assistance in helping to improve the quality of life for Los Angeles County public housing residents," said CDC Executive Director

Carlos Jackson. This partnership is one of the important steps the County is taking to create stable and sustainable needs-based Resident Services Programs for public housing residents. More information can be obtained by contacting Linda Alexander, Program Director of the Office of Community and Educational Partnerships, at the Los Angeles County Community Development Commission, 2 Coral Circle, Monterey Park, CA 91755 (e-mail: linda.alexander@lacdc.org; phone: 323-838-7730).

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Return to Full List

Chick Audit

Date: 07-16-2007 3:32 PM - Word Count: 411

Chick Audit

Eds: Chick aide Rob Wilcox can be reached at (213) 978-7209; the Housing Department's number is (213) 808-8808.

LOS ANGELES (CNS) - City Controller Laura Chick said today the Housing Department should improve oversight of its \$735 million loan portfolio, noting audit findings showing that new loans went to borrowers already in default with the city.

Additionally, the audit showed that the Housing Department does not adequately pursue collections from delinquent borrowers and has a backlog of statements that could be costing the city "millions of dollars" in income, Chick said.

"These very important public dollars are needed to provide safe and livable neighborhoods through the development and preservation of decent and affordable housing," Chick said. "It is essential that we ensure the public that these monies are meeting their intended targets."

Mercedes Marquez, general manager of the Housing Department, has one month to submit a report to Chick explaining actions taken to implement 20 recommendations listed in the audit.

Housing Department officials did not immediately respond for a call seeking comment.

Chick recommended that the Housing Department develop a strong policy aimed at analyzing the agency's loan portfolio and keeping better track of default borrowers.

She also called for an end to allowing default borrowers to receive new loans, as directed by the City Council in 2003.

Also today, Chick released a follow-up audit of the Housing Department's Systematic Code Enforcement Program, which is charged with inspecting about 110,000 apartment buildings with some 780,000 units across the city.

Chick found that the department has made "good progress" since her last audit in 2001, which found a lack of organization in handling apartment inspections.

A third report analyzing the Housing Department's Home Ownership Loan Program found that funds were allocated to other areas of the department.

Additionally, the Housing Department does not have a reliable system to evaluate the loan program's effectiveness and does not ensure that homebuyers comply with specific funding requirements, according to the audit.

The Housing Department has already launched a series of programs to address the problems, Chick said.

Last week, Chick released a report stating that it was unclear whether the Housing Department is doing its job to adequately increase the supply of affordable housing because proper records are not being kept.

She also said the Housing Department does not have an adequate means of measuring its effectiveness, while the department's program to utilize surplus city land for development has proven unsuccessful.



<http://www.latimes.com/news/local/la-me-house17jul17,1,2190270.story?ctrack=6&cset=true>
From the Los Angeles Times

City audit cites slow payments

By Steve Hymon
Times Staff Writer

July 17, 2007

Los Angeles City Controller Laura Chick released an audit on Monday that found that the city's Housing Department was delinquent in collecting some of the money it had lent to developers of affordable housing.

The audit found that 558 loans had defaulted in some way. But the audit did not disclose any monetary losses by the city, nor did it list the names of any developers who defaulted. A loan default can mean many different things, ranging from a failure to repay a lender to failure to file the proper paperwork.

The audit also found that the city had lent money to developers already in default, thereby increasing the city's risk. And the audit criticized the housing agency for too often lending money to the same developers, which can be risky.

"The dollars we're looking at are incredibly important and needed to develop and preserve decent and affordable housing, especially for our low-income residents," Chick said.

The political implication of this, Chick said, is that she will refuse to back any affordable housing bond measures until the Housing Department can demonstrate that it is using its money better. A \$1-billion bond failed to pass in November's election, and Mayor Antonio Villaraigosa has indicated he would like to try again next year.

Los Angeles, like many other cities, lends money and provides matching dollars to developers who agree to build housing that is affordable to moderate- or low-income people.

Mercedes Marquez, general manager of the housing agency, said that any monetary losses by the agency probably are small. She said the agency had monetary defaults on about 320 of the 4,550 loans it had made since 1990 but couldn't provide the exact number of dollars lost.

"The Housing Department since 2004 has committed itself to being a player in the market, and we are working hard to transform ourselves to public sector entrepreneurs," Marquez said.

"We have implemented so much change on our own."

steve.hymon@latimes.com

If you want other stories on this topic, search the Archives at latimes.com/archives.

Wednesday, July 18, 2007 THE SIGNAL

County Asks Public for Input

By Katherine Geyer
SIGNAL STAFF WRITER

County officials will be seeking public input on their proposed General Plan at a public meeting Thursday night in Castaic.

The Draft Preliminary General Plan, which the county released in June, addresses the county's intentions for land use decisions and development over the next 20 years. The plan addresses such topics as conser-

vation and open space, noise and safety, public services and facilities and economic development.

"The release and distribution of this draft General Plan is but the first of several steps that must be taken in order to create a plan that will make it possible for the community and the Board of Supervisors to resolve challenging planning issues in a way that respects community values and inspires our citizens to work together to achieve

agreed upon goals and policies," Bruce McClendon, director of regional planning, said in a statement.

The department is hosting a series of public meetings throughout the county to hear public comments on the plan that is posted on the Department of Regional Planning's Web site. The Regional Planning Commission plans to hold public hearings on the plan later this year.

"The General Plan's great-

est value is as a tool for education and communication," McClendon said. "The ultimate success of the General Plan will depend upon its widespread distribution, meaningful public participation and involvement, and its eventual ownership by the Board of Supervisors."

The Castaic meeting will be held at the Castaic Regional Sports Complex from 6 p.m. to 8 p.m. Another meeting will be held in Acton on July 31.

Section 8 home: Mercedes, Hummers and \$240K

In our ongoing effort to shine a light on Section 8 housing abuse, we present a couple of gems that were uncovered by investigators and law enforcement in the last few days.

Section 8 is a federal program administered here by the Los Angeles County Housing Authority. Renters who qualify pay a portion of their rent to the landlord, and a voucher covers the rest. At the behest of county Supervisor Michael D. Antonovich and the cities of Palmdale and Lancaster, authorities are cracking down on those who cheat the system.

Acting on tips from the public, investigators — accompanied by sheriff's deputies for protection — go to the homes and check them to see if unauthorized persons such as parolees are living there, if the renter is receiving unreported income, or if drugs are in the home.

The toll-free hotline number to report abuse is (877) 881-7233.

If investigators find reason to recommend termination, the renter still has the right to a hearing before losing the housing voucher.

Shrewd business owners?

A woman in Quartz Hill lives with her three minor kids in a house that rents for \$1,272 a month, with \$974 of that being paid by the taxpayer subsidy. Her income, according to housing authority reports based on her application, is about \$15,000 in welfare and Social Security payments.

No one else is listed on the lease, just the woman and the three kids.

Neighbors have noticed a husband/boyfriend living in the house and there are several nice vehicles including a 2006 Ford, a 2007 Dodge 3500 crew cab diesel truck, a 1999 Mercedes SUV and a customized 1970 Chevy El Camino. The man is also spotted driving a Hummer3.

The vehicles have a conservative value of \$200,000.

The woman and her husband/boyfriend, who is living there but is not on the lease, turn out to be the co-owners of not one but two successful businesses. During an interview with welfare fraud investigators, the man admits that on a slow month he takes in \$20,000, cash only.

So the income is at least \$240,000 (cash) a year and cars worth 200 grand, and they still feel compelled to take in an additional 15 grand in welfare and Social Security, and almost \$12,000 a year in Section 8 housing subsidies.

The housing authority recommends termination from the Section 8 program, the Los Angeles County District Attorney's Welfare Fraud Division is investigating, and something tells me the IRS will want a word with these folks over the \$240,000 a year cash-only business.

Perhaps she forgot

Then there's the case of the woman who on her application checked the "No" box to the question, "Have you or anyone in your family been convicted

of a crime?" Criminals aren't welcome on Section 8, and you can't lie on your application.

She maybe forgot her own arrests on coke and marijuana busts. That could happen — anybody could forget that, huh? But how about her husband's eight felony arrests and three misdemeanor arrests? How about the husband's doing a murder as a 15-year-old juvenile?

How about her husband's arrests since 2001, while they've been on Section 8?

This lovely couple got a home in the Anaverde tract in Palmdale. They have a new Hummer and a Mercedes, and she works, making \$33,000 a year and they have two kids on Social Security payments.

They pay \$1,200 a month in rent, we the taxpayers pay \$500. The couple were recommended for termination.

Citizen tips continue to root out housing subsidy abuse.

Third generation

Other highlights of recent investigations have included a third-generation Section 8 voucher holder, and two cases of career criminals who were illegal immigrants living in Section 8 housing because their wives were somehow approved.

The guys were documented gang members, but their wives slipped through the application process.

Making progress

As reported in Sunday's Valley Press, housing investigators in the AV are making great progress in finding and booting out the abusers. That's good because it saves taxpayer money and it also frees up housing for decent people who really need it as a way to get back on their feet, the way the program was intended.

The inspections not only bust the ones who are caught in the act; they also act as a deterrent to those who are also ripping off the system or thinking about it.

William P. Warford's column appears every Tuesday, Thursday, Friday and Sunday. Contact him at (661) 267-4166; P.O. Box 4050, Palmdale, CA, 93590-4050; or William.Warford@avpress.com.

Grandpa was a Bad Investor: Teching up Affordable Housing
by Nathan | July 20, 2007, 12:35 pm

by Tony M. Chavira
Communications Coordinator
RACAIA

It is definitely not the same old song in the county of Los Angeles. The city of Los Angeles recently completed their bidding for development under the Public Works Department, and the buzzword (30 years in the making) was "sustainable". Sustainable buildings, sustainable interiors, sustainable parks, sustainable businesses, sustainable design... I'm sure you got the point after "parks."

And this, we believe, is the turning point. When government adapts a new standard for itself, we're supposed to believe that it's either WAY ahead of the curve or WAY behind modern technology. Regardless of whether Al Gore had anything to do with this, architects far and wide are applying for LEED (Leadership in Energy Efficient Design) status and slapping the LEED emblem all over their paperwork and websites (granted, the LEED emblem is *very* cool looking). But the city of Los Angeles has billions of dollars to throw into a never-ending vat for development. The Department of Public Works, like other government offices, *must* spend a necessary quota of cash annually in order to receive funds for future projects. If you're a project manager who goes over-budget in development, you're fired. In fact, if you even *propose* spending a few extra thousand over the modest allocated budget on more intricately sustainable technology or design, you might as well be asking for a pink slip.

But the question still remains: *when are we going to see better technological infusion and design standards for affordable housing?* Every year, technology gets cheaper and the standard for architectural knowledge in environmentally-friendly design is becoming stricter and stricter. Unfortunately, architects and LEED don't write the checks and developers make names for themselves by putting together the cleanest, leanest projects on the slimmest budgets. When I say "unfortunately", I don't *just* mean "Unfortunately for the residents" or "Unfortunately for the architect", or even "Unfortunately for the Earth." I *also* mean, "Unfortunately for the long-term investor" and "Unfortunately for the potential for property appreciation."

The idea of long-term investing seems to elude some people, especially people who like seeing returns in the first financial quarter. The cost of infusing any new technology into a development project is so front-loaded that most "savvy" investors don't even consider it. But what happens ten years down the line? The maintenance costs of traditionally-designed structures are *far* more than structures that employ modern technological design and structural standards. As time goes on, it will eventually become more financially sound to knock down the property and erect a whole new building, than to invest *more* money into your black hole of conventional utilitarian design.

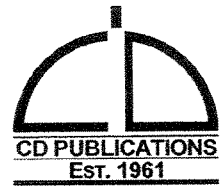
Worse yet, development that *does* involve infusing new technology usually received a government grant or a generous donation from a well-intentioned millionaire. Even I wouldn't snub that kind of cash, but where's the interest in upkeep? Imagine that you gave a hundred million dollars to a school today, and then walked away: you never have to see that place again. But *that's* the problem: the school directors have two choices: 1) allocate the money slowly over the

course of 20 years (where technological advancement will be throttled for the sake of keeping afloat financially); or 2) blow all of the cash at once on bleeding-edge technology in the hopes that it won't all be outdated in 5 years. If you're a smart investor (which, *of course* you are), you're going to constantly keep an eye on your

investment for returns. If the quality of your investment starts lacking, you come together with everyone who has a stake in the project and figure out a way to improve its quality. In this respect, there's no difference between investing in a company and investing in a housing project. If you are a savvy group of investors, you're going to make sure that your affordable housing has the *highest* design standards, *achievable* sustainable goals and *constant* inspections to ensure customer and employee satisfaction. After ten years, your project will still be standing as sturdy as ever and the property value will *absolutely* appreciate as long as the investors actively seek to keep up with design and technological standards.

The way the property investment has traditionally been managed is pretty flawed: you buy up some property, build up something fast and turn it over for tons more cash than you invested. But let me tell you, Grandpa was a bad property investor. Long-term investing in affordable housing development in particular may be an extended payoff, but it's also a sure-fire way of making a *ton* of money, especially when you maintain your investment as if it were your company. To make a long story short, we'll see technological infusion into affordable building design when investors start thinking about their properties like companies, and less like property.

Housing Affairs Letter



THE INDEPENDENT WEEKLY WASHINGTON REPORT ON HOUSING

WASHINGTON, JULY 20, 2007

NO. 07-28

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CONSTRUCTION

Starts Up Slightly, Permits Drop

Housing starts continue at an even, though slow pace, the Commerce Dept. says.

But a dramatic drop in building permit applications, the second major fall in three months, continues to put a cloud on the housing market, say Census Bureau statistics.

The starts rate for June tracks at 1.467 million units, seasonally adjusted. It's a 2.3% increase from the revised May estimate, Commerce says, but still is nearly 20% below the total from June 2006. However, the number represents relative stability in the category since February.

Census statistics indicate single-family starts essentially hold flat (-0.2%) at 1.467 million units. Industry experts believe the starts rate needs to fall further if homebuilders want to see severely elevated inventory levels reduced more quickly and price appreciation return to strong form (*see housing starts chart p8*).

HAL obtained a memo Cabrera sent to deputy assistant secretaries in HUD's policy office, field operations office and the Real Estate Assessment Center, ordering those officials to halt all cooperation with Kendrick, accusing the Fair Housing chief of refusing to cooperate with his office on public housing issues.

HUD put its publicity machine into full gear when *HAL* asked about the recent memo. HUD's response: "It's old news; The memo has been rescinded; We're back to business here at HUD."

But sources tell *HAL* otherwise. Cabrera reportedly has been taken to the proverbial woodshed for airing HUD's dirty laundry in public.

Kendrick is a HUD veteran and long-time associate of HUD Secy. Alphonso Jackson—she knows Jackson from his tenure as head of the Washington, DC Dept. of Public & Assisted Housing. Kendrick was with the DC Housing Authority and apparently has the upper hand for the time being as a result of Cabrera's action.

Cabrera, on the other hand, has been with HUD for the past 21 months, a protégé of former Florida Gov. Jeb Bush (R).

Housing Affairs Letter, the independent weekly report, focuses on private, assisted and public housing; with federal legislative and regulatory updates; state and local news; association plans; construction, finance and secondary mortgage market statistics and reports; coverage of your colleagues' programs; and trends affecting your interests in housing.

HEARD AT HUD

Internal Turmoil At Top HUD Level

A bitter turf war between Assistant Secy. for Public & Indian Housing (PIH) Orlando Cabrera and Assistant Secy. for Fair Housing & Equal Opportunity (FHEO) Kim Kendrick has spilled over into the public arena.

So far, the flap, of major proportions within the HUD executive framework, hasn't reached the White House as far as *HAL* can determine. If it does, the issue will be the second breach of political decorum for Jackson in less than two years—he spoke out of turn publicly on HUD contracting last year, indicating he favors politically oriented contracts with private HUD vendors.

But within HUD, the Cabrera/Kendrick turf battle has rank-and-file employees reeling (*see related stories for other turns of events within HUD*).

The flap had been building for months, *HAL* is told.

"After attempting unsuccessfully to engage Assistant Secretary Kendrick in outstanding PIH/FHEO action items, I am directing you to suspend any on-going activities with the Office of Fair Housing & Equal Opportunity until the following matters are resolved," Cabrera tells the deputies.

Cabrera accuses Kendrick of failure to assist on PIH's streamlining rule, the public housing authority (PHA) plan template/related implementation notice, and the public housing assessment system (PHAS) III proposed rule.

The executive order continues, "Until further notice, agreements previously reached with FHEO affecting any of the above items should likewise be suspended." Cabrera alludes to issues affecting implementation of the on-again, off-again asset-management program for PHAs, giving PHAs authority to manage their properties for budgeting on a project-by-project basis.

Sources tell *HAL* the sticking point in the turf war is Kendrick's insistence on requiring PHAs to record minutiae on fair housing activities in their reporting to HUD, thereby easing the FHEO workload.

Cabrera reportedly wants broader reporting requirements to relieve PHAs of laborious and largely insignificant gathering of such detailed information in PHA annual reports.

Public housing advocates tell *HAL* the internal flap likely will set back asset-management implementation further unless resolved quickly.

HUD sources agree, telling *HAL* Jackson and Deputy Secy. Roy Bernardi must put a lid on the turmoil before incurring the wrath of the White House.

Union Urges End Of HUD Program

HUD Secy. Alphonso Jackson should end the department's Service Level Agreement (SLA) pilot program immediately, the head of HUD's employee union contends in a letter to Jackson.

Carol Federoff, president of Council 222 of the American Federation of Government Employees' (AFGE) Nat'l Council of HUD Locals, tells Jackson HUD's Office of Admin. is inept and the program, if implemented full-time,

will place a drain on HUD's program resources to build a larger administrative bureaucracy.

The issue goes back to 1995, when then-Vice President Al Gore (D) initiated top-down governance in Cabinet departments under his administrative reorganization plan.

Administrative offices in the departments, including HUD, raided their field operations for employees, drawing them to Washington headquarters to do the same jobs they were doing in the field.

Federoff contends the centralized bureaucracy has become calcified as a result. HUD's employment office—Human Resources—is a particular target, accused of failing to accomplish the most basic tasks, such as prompt payment of merit awards and repeated loss of records and employee information.

Now, under the SLA pilot, HUD administrators want to raid field offices again for employees, from five to 15 employees from each program, to accomplish the same objectives ordered under the nearly 13-year-old Gore plan, leaving a dearth of workers in HUD program administration at the field level.

"No one in Administration's management structure seems to ever be held accountable for their performance or, rather, nonperformance," Federoff tells Jackson.

"These lapses on the part of Administration have lead to lawsuits and administrative actions that would be totally unnecessary if Administration held itself accountable—like the FLSA (Fair Labor Standards Act) case (*see related story below*)," Federoff continues.

"We do not think the Office of Admin. should be permitted to consolidate authority or to take staff from program offices and the field to make up for its obvious failure to perform," Federoff tells Jackson.

HUD does not comment on personnel matters.

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congressional recess.

The full Senate, meanwhile, won't get to its version of the spending plan until after the recess, putting final action in the direct path of the present spending year's end, Sept. 30, since both houses will have to iron out differences and sort out pork-barrel projects in conference committee.

Regardless, both spending bills as is invite a White House veto, exceeding the ceiling set down by the Office of Management & Budget.

Adding to the administration's consternation over the bills—both are unnumbered at the moment—is what is considered a personal slap at President Bush, elimination of his pet American Dream Downpayment Initiative. Lawmakers contend ADDI duplicates HOME program activities, which receive a funding boost.

ADDI was Bush's signature domestic effort, the key element of his homeownership initiative, which has diminished in the wake of the subprime lending dilemma. Its funding elimination is a way for lawmakers to tell the White House their displeasure over its pumping up the housing boom in 2003-2004 with ADDI and a national public relations push, an effort which lawmakers contend contributed to the present industry bust, sources tell *HAL*.

AFFORDABLE HOUSING

Housing Trust Fund On Fast Track

Two weeks after it is unveiled at a public relations extravaganza, the proposed national affordable housing trust fund gets its first airing before the full House Financial Services Committee.

The importance attached to the measure, HR 2895, by committee Chairman Barney Frank (D-MA) is illustrated in his move to bypass public hearings at the housing subcommittee level.

"The growing shortage of affordable housing is one of the most serious social and economic problems facing our country," says Frank in a justification of placing the legislation on a fast track to approval.

The bill calls for up to \$1 billion of funding in the first year, with 75% targeted to extremely low-income families or those earning less than 30% of an area's median income, primarily the rental housing sector.

The remainder would target families earning up to 80% of an area's median income who may be able to purchase a home.

The fund would be financed with after-tax profits of government-sponsored enterprises (GSEs) Fannie Mae and Freddie Mac as well as revenues from the Federal Housing Admin. (FHA).

Herein lies growing opposition to the measure from conservative House Republicans and Blue Dog Democrats. Both groups want a specific breakdown of how FHA could contribute millions to the fund and still have enough reserve cash to finance reverse mortgages for seniors and cover mortgage defaults in a critical time period such as the present subprime mortgage dilemma.

Such factors are stymieing approval of FHA reform, the proposed Expanding American Homeownership Act of 2007, HR 1852.

Those factors will play a large role in the Senate if HR 2895 survives in the House with the more cautious and less constituent-reliant senators concerned about overloading FHA with financial responsibilities outside of its original realm.

Such concerns led House leaders to attempt a ramrod approach in the remaining days leading to the August congressional five-week recess, sources tell *HAL*.

The thrust would pick up in September, sandwiched between other priorities, such as finishing work on FY 2008 spending measures.

Affordable housing advocates are worried conservatives in both parties, backed by a White House determined to block tapping of FHA reserves, could succeed in deep-sixing a five-year effort to create a trust fund.

Earlier attempts by affordable housing advocates to tap the FHA mortgage insurance premium fund, contending its then \$36 billion surplus was an ideal source of funding, were blocked successfully by Bush administration refusal to accept the idea and the then-Republican controlled House opposition to it.

Another concern, largely from Republican conservatives, is the ultimate strength of safeguards in the legislation to keep the trust money out of the local political arena.

The bill calls for the money to be awarded to state and local governments which then would dole it out in grants to developers and nonprofits agreeing to build or rehabilitate low-income housing. For every \$2 of trust fund money used, the bill requires a \$1 match of state, local or private money.

Safeguards in the measure against seepage of money into partisan political activities are too general and vague, contend Republican conservatives who feel the efforts would benefit Democrats.

*PUBLIC HOUSING

PHA Money Flexibility Suggested

Bowing to congressional pressure and requirements under the Quality Housing & Work Responsibility Act of

1998 (QHWRA), HUD proposes a rule to allow public housing authorities (PHAs) to use capital fund money to pay operating expenses.

HUD has banned the practice despite constant urging from Congress to heed QHWRA. Threatened with a mandate in the FY 2008 spending bill, HUD decides to set down its own guidelines for interchanging money.

Public housing advocates tell *HAL* they are poring over the proposal, looking for any hidden pitfalls and loopholes, with comments and critiques due Sept. 17.

Info: www.cdpublications.com/docs/3334

SENIORS HOUSING

55+ Property Replicates Existing Design

Pennsylvania: Lancaster County-based developer Charter Homes & Neighborhoods begins selling homes at Heritage Strasburg, a neighborhood for 55+ buyers that aims to integrate residents with the broader community of Strasburg, a historic borough with a population just under 3,000.

The recently completed neighborhood, which sits on the borough's last developable plot, was designed with a major goal of "respecting place," says Charter Homes & Neighborhoods president Rob Bowman.

To make Heritage Strasburg feel as authentic as possible, the developer focused on the architecture and detailing of the homes, in many cases "replicating" details of Strasburg's older homes and porches.

The neighborhood also was designed to partner with the community, Bowman explains, citing the "Heritage Green" as a place where Strasburg residents might gather for picnics, outdoor events, or festivities on the 4th of July.

Meanwhile, a deal with a local business, the Netherlands Inn & Spa, makes hotel services, such as meeting space, available for residents on a fee-for-service basis.

Additionally, there is easy access to downtown Strasburg's coffee shops, ice cream shop, pharmacy, houses of worship and a bank.

Bowman projects the neighborhood will open in September, with homes priced as low as \$200,000.

—Jessica Weiss

RURAL HOUSING

HAC Worries Over NOFA Change

Housing Assistance Council (HAC) officials are concerned about proposed changes to a rural housing loan program that helps nonprofits provide money for first-time homebuyers in rural areas.

The Agriculture Dept. (USDA) is proposing changes designed to streamline the Sec. 523 Mutual & Self-Help Housing Program created in Title V of the Housing Act of 1949.

Participation in this program has increased dramatically, from 518 families in 1968 to more than 41,000 in 2006. Between 1996-2006, program funding has tripled to \$34 million, and the growth in participation and funding are behind the need to change the program's delivery, USDA says.

Part of the streamlining effort involves issuing an annual formal Notice of Funding Availability (NOFA). HAC officials say while it will add structure to the program, USDA should avoid issuing a NOFA that is inflexible.

HAC says the proposed NOFA process could be introduced for new applicants to use and for those grantees that have run afoul of the program's leaders.

New criteria should be included in Sec. 523 rules to ensure that administration is correct, but HAC adds that geography and target populations need to be considered in defining criteria so the money goes where it is needed most.

FAIR LENDING

Abusive Lenders Face Criminal Charges

Ohio: Atty. Gen. Marc Dann (D) says he's preparing his first criminal indictments against predatory lending practices but doesn't disclose a timetable or the lenders and appraisers targeted, although 10 are expected to be indicted.

Targets are expected to be among the 30 civil predatory lending cases Dann is handling statewide presently. He says the worst mortgage brokers and property appraisers that have given Ohio the highest foreclosure rate in the nation are his targets.

Dann's increased emphasis against predatory lending is reinforced by the state's new Homebuyers' Protection Act, which took effect Jan. 1. The law gives the attorney general more power to police such practices.

GSEs

GSEs To Abide By OFHEO Rules

Government-sponsored enterprises (GSEs) Fannie Mae and Freddie Mac agree to abide by mortgage guidelines ordered by their regulator, the Office of Federal Housing Enterprise Oversight (OFHEO).

The guidelines focus on exotic mortgages and demand that any mortgage containing an interest-only feature be underwritten at the highest possible interest rate or subsequent amortizing payment.

Any mortgage containing a negative-amortizing feature

INDICATORS

Mortgage Rates Show Mixed Results

The 30-year fixed-rate mortgage averaged 6.73%, unchanged from last week, a Freddie Mac survey shows.

The five-year adjustable-rate mortgage (ARM) averaged 6.35%, also unchanged from last week.

Meanwhile, the one-year ARM averaged 5.72%, up slightly from last week when it averaged 5.71%.

"In a week marked by stock indexes reaching new highs on Wall Street, mortgage rates lingered near the previous week's level as the latest economic indicators did not affect inflation expectations significantly," said Frank Nothaft, Freddie Mac vice president and chief economist.

HOUSING AFFAIRS RATE WATCH

PRIMARY MORTGAGE MARKET

Commitment Rates	6/21	6/28	7/5	7/12	7/19
Fixed Rate	6.69	6.67	6.63	6.73	6.73
Fees & Points	0.5	0.4	0.4	0.4	0.4
15-yr. FRMs	6.37	6.34	6.30	6.39	6.38
Fees & Points	0.5	0.4	0.4	0.4	0.4
1-yr. ARMS	5.66	5.65	5.71	5.71	5.72
Fees & Points	0.6	0.5	0.4	0.5	0.5

SECONDARY

FNMA					
30-yr. FRM*	6.64	6.60	6.61	6.62	6.64
FHLMC					
30-yr. *	6.59	6.54	6.58	6.58	6.56

*Required Net Yields, 30-Day Delivery

Info: FHLMC, 703/903-2446; MBA, 202/557-2737

STATE & LOCAL

* Unique Public Housing Proposed

California: The San Diego suburb of Poway approves a pilot public housing project where those who qualify can buy instead of rent.

Thirty single-story homes will be built on four acres of a former ranch site, primarily two- to four-bedroom attached homes for low- to moderate-income families.

Poway officials bought the stable and horse-boarding business in 2004 and razed the buildings.

City Gets A-Plus On Homeless Housing

Washington State: Seattle Mayor Greg Nickel gives the city an A-plus on providing rental housing for the homeless population.

Four years after Seattle voters approved a seven-year extension to a property tax to support affordable housing, the city has created or maintained more than 1,200 rental units for low-income people with almost 700 targeted to the homeless population.

Seattle helped 137 families purchase their first homes since 2003 as well, Nickel says.

HUD Probes Mortgage Firm

Maryland: HUD's inspector general demands loan documents from Equitable Trust Mortgage Corp.'s suburban Baltimore headquarters, seeking information on about 20 loans the firm made in the last three years.

The HUD subpoena covers Federal Housing Admin.-backed loans in default.

Housing Faces Wrecking Ball

Washington state: The Port of Seattle, a distinct government authority in King County, rejects a county offer to buy and preserve a 162-unit apartment complex for low-to-moderate income families.

The Port authority bought the apartments in 1998 to make room for extension of a third runway at Seattle's international airport.

Port officials rejected a county offer of \$18 million to buy the complex, operated by the King County Housing Authority as rental housing, even though the property now is outside the runway's new safety zone.

Tax Reform Initiative Opposed

Florida: Voters must approve a legislative property tax plan for it to become law next January. The plan calls for a constitutional amendment.

Backers say property tax bill will drop by 44%. But a leader of the opposition, a radio talk show host in West Palm Beach, contends the proposed Super Homestead Exemption is a temporary fix of the present inequities in the law and would create more uncertainty for homeowners.

Instead, Joe Raineri calls for a sales tax increase and elimination of the property tax.

Housing Affairs Letter Binders

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BRIEFLY**Housing subsidy
may be yanked**

PALMDALE — A man who identified himself as the husband of a Palmdale Section 8 recipient earns income from two businesses he owns that exceeds the housing subsidy program's eligibility guidelines, sheriff's deputies said Thursday after a compliance check.

They led a team of investigators to the home in the 4100 block of Rancho Way, where the resident told them he earns thousands of dollars a month from his enterprises, authorities said.

Sheriff's deputies said the housing subsidy recipient had several cars registered in her name, including a 2007 Dodge Crew Cab diesel truck, a Mercedes-Benz SUV, and a customized 1970 El Camino.

The woman claimed \$8,712 in annual income from welfare benefits, authorities said.

Investigators said she told them during questioning "You can keep the \$900 a month. I don't need to be hassled."

— Daily News

House approves legislation aimed at overhauling Section 8

• ANTIOCH: Subsidized housing program is a growing concern among residents

By Simon Read
CONTRA COSTA TIMES
Contra Costa Times

Article Launched: 07/20/2007 03:07:17 AM PDT

The U.S. House has approved a bill to reform the Section 8 housing program by revising the formula for calculating rents and expanding opportunities for family self-sufficiency. It must now pass through the Senate.

Section 8, a federally subsidized housing program that helps low-income families rent private homes, has become an issue of growing concern in Antioch during the past year. Residents and city officials have complained of program abuse and mismanagement.

The bill, passed on a 333-83 vote last week, was sponsored by Rep. Maxine Waters, D-Los Angeles. Waters' spokesperson could not be reached for comment.

"We voted for this bill," said Kevin Lawlor, spokesman for U.S. Rep. Ellen Tauscher, D-Alamo. "We supported the provisions because we feel they're good for Antioch."

Last year, city officials approached Tauscher and sought federal help in resolving Antioch's housing concerns. One issue raised by residents and officials was the values of the vouchers, which -- in some cases -- allow Section 8 recipients in Antioch to move into upscale housing.

"We've been put into the rent structure for places like San Jose and San Francisco," Councilman Arne Simonsen said. "The rents in those places for something small are very expensive, where the same amount of money out here gets you a very big house."

In a letter sent in September to Alphonso Jackson, secretary of the U.S. Department of Housing and Urban Development, Tauscher expressed her concern that the Bay Area's government-subsidized housing program was not being run in a manner that adequately reflects the area's fair-market rent values, or the amount properties would generally command when placed on the rental market.

"In Contra Costa County alone, housing markets vary dramatically with multiple micro-markets. I am concerned that the Oakland-Fremont Metro HUD area, which includes Contra Costa County, is too large and thus the FMR is skewed because disparate communities are included in one large metro area," she wrote.

If the bill is approved by the Senate and becomes law, it will ensure voucher payments are more closely calibrated to rental costs in local communities, officials said.

"Certainly, if this legislation becomes law, Ellen will work with HUD to determine the geographic areas that make sense for our region," Lawlor said.

The Section 8 Voucher Reform Act would also enable local housing authorities to more easily work with nonprofit groups and private owners to create new and redeveloped housing stock for affordable use, officials said. Blighted housing stock could be transformed to mixed-income housing under the management of a nonprofit group ensuring that the new housing would be well maintained and cared for.

Joseph Villarreal, the new executive director of the Contra Costa Housing Authority, was on vacation and could not be reached for comment.

Simonsen said he was pleased to see federal officials addressing concerns long held by Antioch.

"Section 8 should provide shelter and reasonable accommodations," he said. "It should provide a clean, safe and comfortable place to live -- but not luxurious accommodations."

Antioch resident Gary Gilbert, founder of United Citizens for Better Neighborhoods, said that with federal officials tackling the issue and a new executive director at the Contra Costa Housing Authority, he's confident program reform is around the corner.

"We've met with the new director and he's in tune with what the community and its leaders want," said Gilbert, a critic of the housing authority's previous director, Rudy Tamayo. "We believe he wants to see changes made, and we'd like to see them implemented immediately."

Simon Read covers Antioch. Reach him at 925-779-7166 or sread@cctimes.com.

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— Q & A —

Q: Has the Econsult Report on “Assessing the Benefits of Public Housing,” had an impact on the public policy debate?

A: Yes, indeed.

The report, available on CLPHA's website by clicking here, has been used by the PHAs who participated to make the case to their local political, business and community leaders that Public Housing is an asset worthy of support and protection.

And, last week, the House Appropriations Committee Report (110-238) quoted extensively from the Econsult study. That's not only flattering, but important, because committee report language helps establish legislative intent and provides a useful marker for the future.

Here's what the committee report said: “Public housing is home to 2.6 million people, including seniors, persons with disabilities, and low-income families. In 2005, the median income of families in the public housing program was \$10,738, only 23 percent of the national median household income of \$46,326. Public housing is a valuable social and economic asset that cannot be created or sustained by the private market. In fact, it would cost an estimated \$162 billion to replace the existing stock of 1.2 million public housing units, yet the budget request

(Continued on p. 2)

Proposed Rule on Capital and Operating Fund Financing Issued

The July 18 proposed rule on the use of Public Housing capital and operating funds for PHA financing activities is a welcome step, but HUD should go further and allow high-performing PHAs to avoid redundant regulatory reviews that increase costs and slow an already cumbersome process.

The proposed rule, according to a preliminary CLPHA review, doesn't go far enough in achieving its goals and continues to require cumbersome, costly, and time-consuming oversight by HUD.

Under the proposal, HUD would allow PHAs to use proceeds under either the Capital Fund or Operating Fund programs for financing activities, including payments of debt service and customary financing costs for the modernization and development of public housing, including public housing in mixed-finance developments.

The financing tools, first authorized nearly a decade ago through the “Quality Housing and Work Responsibility Act” (QHWRA) are necessary, says the HUD proposal, because “annual appropriations for public housing capital expenses, which range from \$2 billion to \$3 billion, cannot by themselves address the backlog and accruing replacement and repair capital needs.”

(Continued on p. 4)

* Chicago Housing Authority CEO Responds To Sociologist Critique

(The following letter to the editor, from Chicago Housing Authority CEO Sharon Gist Gilliam, appeared in the July 17 Chicago Tribune. It was a response to an op-ed by Columbia University sociologist Sudhir Venkatesh that appeared in the paper July 3.)

The Chicago Housing Authority is engaged in the largest redevelopment of public housing in the nation, and the success is self-evident. Walk down State Street on the South Side, or along Taylor Street or Roosevelt Road on the West Side, and see for yourself.

Crime is down dramatically.

Foreclosure rates have plummeted.

Business investment is up significantly.

New neighborhoods of homeowners, renters and CHA leaseholders are blooming in places that had long been isolated by CHA projects that no longer exist.

The welfare of residents relocated from demolished projects has

(Continued on p. 2)

Chicago PHA Responds

(Continued from p. 1)

greatly improved as well, as a report published recently by the Urban Institute confirmed. The five-year study found that 92 percent of residents reported being far better off after relocation in many crucial ways, including better health, personal safety and more life stability.

Still there are detractors. In "Breaking promises at the CHA; Many new units not going to ex-residents" (Commentary, July 3), Sudhir Venkatesh, a sociology professor at Columbia University, asserted that relocated residents are not returning to new mixed-income developments and that developers may turn over units to higher-income families. This is completely untrue and unfounded.

Public housing units in mixed-income developments are at 98 percent occupancy and will always be filled with public housing tenants. It is the law as well as the guiding principle behind all our redevelopment efforts.

To avoid the mistakes of the past, leaseholders of CHA units must be integrated into the larger fabric of Chicago on physical, economic and social levels. Successful physical integration is now evident; public housing in new developments is indistinguishable from market rate and surrounding communities. Economic integration is also succeeding. Our social service partners have trained and helped more than 3,500 leaseholders find work, and wages for those who do work have increased by 50 percent.

But successful social integration is the toughest for detractors to accept. One-quarter of families relocated with a temporary voucher want to remain on a voucher permanently, choosing not to return to public housing. Where detractors

see this as a problem, we see success. We see relocated families successfully integrated into their new communities, having built a life for themselves without distinction between them and their neighbors.

They aren't a "CHA family" any longer but a family — a family living in a robust neighborhood, without label or stigma. That's great success, even if it does mean less work for some advocates and academics. ■

— Q & A —

(Continued from p. 1)

for public housing is perennially too low to support annual capital needs, much less address the \$18 billion backlog in capital needs. More than half of public housing units were constructed prior to 1970 and are in need of rehabilitation and serious capital investment."

Continues the report, "The Committee recognizes that public housing is an irreplaceable asset and that it will require significant capital investment to continue to provide its 2.6 million residents with safe and affordable homes."

Further, said the report, "the committee is cognizant of the fact that it must begin to address the shortage of affordable housing for families, seniors and the disabled immediately. It is also incumbent upon the Department of Housing and Urban Development to explore new means of financing and innovative methods of partnering with nonprofits and with the private sector to spur more housing production."

PHAs interested in having Econsult conduct a local impact analysis of Public Housing in their community, should send an e-mail to

clpha@clpha.org with the subject line "Econsult Report." After receiving an expression of interest, CLPHA will respond with more detailed information and a brief agreement describing the terms under which the analysis will be conducted. There is a nominal fee to have the analysis conducted. ■

CLPHA in the News

"Growing numbers of the nation's poorest households are using more than half their earnings for rent while waiting years for federal housing assistance that might never come," was the lead sentence in a *McClatchy* Newspaper article published earlier this month which described the nationwide shortage of affordable housing and the cuts suffered in the Public Housing and Section 8 programs over the past several years.

"For many years the Bush administration and a compliant Congress have diverted money from housing and other domestic programs to pay for tax cuts and the war in Iraq and Afghanistan," said the article. CLPHA Executive Director Sunia Zaterman told *McClatchy* that among those with great housing needs "if you're not one of the lucky 25 percent to receive assistance, you're very likely to have a very high rent burden or live in substandard conditions or in overcrowded conditions. The demand for assistance goes significantly unmet."

"We're reaching crisis dimensions in many communities," former HUD Secretary Henry Cisneros told *McClatchy*. "It's just unreasonable to expect that suddenly we're in an era where 50 percent of a family's budget can be spent on housing." The *McClatchy* newspaper chain publishes 31 daily newspapers nationwide, including *The Sacramento Bee*, *The Charlotte Observer*, and *The Fort Worth Star-Telegram*. ■

City seeks to pull plug on Section 8 influx

Rentals blamed for bringing crime, neglect to Lancaster

This story appeared in the Antelope Valley Press on Thursday, July 26, 2007.

By MARISSA BELLES
Valley Press Staff Writer

LANCASTER - City officials said they will investigate whether they can temporarily stop issuing new business licenses to landlords who rent to tenants receiving so-called Section 8 government rent subsidies.

At its meeting Tuesday night, the City Council agreed to look into a proposal by Councilman Ron Smith to establish a five-year moratorium on issuing business licenses for Section 8 rentals, which have drawn blame as contributing to crime and unkempt property in Lancaster.

Smith said he is concerned that the softening real estate market might mean investors will buy houses now occupied by their owners and turn them into rentals, as happened during the Valley's last real-estate slump in the early 1990s.

"Anecdotally, Section 8 is an under-enforced and abused system, and we are getting hit hard with it," Smith said. "Right now I think we have a stock of homes for sale of about 5,000 now, and a number of those might be foreclosures. If you go on the Internet and you look at foreclosures, a lot of them say you can just put Section 8 in there, which is what happened to us in '92."

However, Smith noted that legal issues accompany the idea, most notably whether federal law preempts cities from putting such controls on government-subsidized rental housing.

"There are a number of cases and issues you may want to look at, one being equal protection. What class of citizen would you be restricting?" Smith said. "Where we might get into a sticky situation is the pre-emption of a federal statute."

City Attorney Dave McEwen agreed that legal issues need to be examined.

"Preemption is the biggest, and we will continue looking at that," McEwen said. "If we find that it is too big of a roadblock, then we will look at some alternatives as well."

Smith's proposal also drew worries about its impact on affordable housing.

"I have a major concern in the lack of affordable housing for people in my population," said Judy A. Cooperberg, the Director of Antelope Valley Programs for the Mental Health Association in Los Angeles County. "It's extremely difficult to find housing for people with disabilities."

But other council members and citizens said they favored the idea.

Lancaster School Board President Greg Tepe spoke for Smith's proposal on behalf of the Antelope Valley Republican Assembly.

"The Section 8 program is out of control and lacks leadership from the federal government, which has failed in its responsibility," Tepe said. "Section 8 is like a train without a conductor and is on a collision course with the Antelope Valley."

"Because the Section 8 program is so poorly run by the county, they use our community as a dumping ground for anyone they want to get rid of," Lancaster resident Karen Wilson said. "It needs to stop."

Councilman Ed Sileo said the city is in a unique position because many cities don't require business licenses for rentals as Lancaster does. Lancaster requires landlords who own more than one rental home to obtain city licenses.

"If we can leverage that to help control our Section 8 population and screen them a little more it would be a good thing," Sileo said.

Mayor Henry Hearn said he was born on a sharecropper's farm in Mississippi and knows what it's like to be poor.

"I truly want any Section 8 person or family who really loves living in Lancaster to be here. If not, leave," he said.

Councilman Jim Jeffra said many landlords are buying houses as investment properties but signing contracts promising they will live in them.

"Well, it's a little hard to live in nine homes," Jeffra said. "We need to enforce that because they know it's going to cost them more to buy it as an investment property. They get around that because they deal off with some developer."

mbelles@avpress.com

Supervisor Burke "Accosted" by Reporters

Saying she wanted to clear up reports that she no longer lives in her district, Los Angeles County Supervisor Yvonne Brathwaite Burke issued a statement Thursday saying she is still living in the Second District.

"In an effort to clarify an issue regarding my residency in the Second District at the time I campaigned for a fourth term and at present, I want to assure everyone that I have always maintained my primary district residence and I intend to remain a resident of the Second District," Burke said.

On Wednesday, Burke, 74, said she was "accosted" by two reporters at her Centinela Avenue residence, who demanded to know why she had not been spending the evenings there and why she met a staff member there and allowed him to park his car in the garage and drive her to work.

"Unfortunately, I was running late for an appointment and did not have time to provide the reporters with a full explanation," Burke said. "However, I did invite them inside where I indicated that I had been remodeling and had a partial wall removed and installed a new kitchen. I also found out that, without identifying themselves, the same two reporters earlier approached my sister-in-law at her car when she was leaving the property, asking her if she lived at the residence. Her initial thought was that she was being carjacked."

Burke said a lock box contains a key to the front door, which has been there for several months to allow the workmen to have access to the house.

"I suspect as the workmen left the property and returned the key to the lock box, the reporters saw them leave the property," Burke said.

Burke's spokesman James Bolden said the supervisor and her husband, Los Angeles Marathon Chair James Burke, have owned a house in Mandeville Canyon in Brentwood since 1981, which was rented out for a number of years and then was remodeled.

"I often spend weekends there and have been staying there during the termite work and remodeling of my Centinela Ave. town home," Burke said. "I had hoped that the remodeling would have been complete at my Centinela Ave. residence by now."

Bolden said the Burkes rented a town home from 1992 to 1995 in Marina del Rey, which is in the Second District. In 1995, they purchased a different town home in the same complex and lived there until 2005. They sold that town home in 2005 and rented a condominium, also in the Second District, until June 2006. That's when they purchased the Centinela Ave. town home. Bolden said the supervisor has been living there during the week, and spending the weekends at their Brentwood home with her husband.

Burke, who has served as a supervisor in the Second District for 15 years, will become chair of the Board of Supervisors next year. Following four decades in office, Burke plans to step the end of next year. Bolden said.

Reducing crime

Article Last Updated: 07/26/2007 09:15:50 PM PDT



Re "The witch's hat" (July 23):

Our City Council wants to have it both ways when it comes to affordable housing: First, it recently overwhelmingly approved a substantial increase in the relocation allowance for tenants when housing is converted to condos, presumably to discourage owners of these units from taking badly needed units off the market. Then our former council president, and presumably rent-control advocate, Alex Padilla is busy up in Sacramento crafting ways to develop more condos in his district.

Every time our economic professors, i.e. City Council, try to manipulate the market, it backfires. If you want to have crime reduced in that area, residents must feel they have a stake in the outcome. Homeownership is the quickest way residents feel they have a financial stake.

- John A. Hoffman

Woodland Hills

Socialized state

Re "Gift food is answer to prayer" (July 25):

Reading the article about MEND was frighteningly too similar to the accounts I have read about how Hugo Chavez manages to stay in power in Venezuela. Is that what our city is becoming - a socialized state wherein politicians stay in power by keeping the poor and needy dependent on social programs and handouts?

If politicians really wanted to "meet everyone's need with dignity," they'd focus more attention on creating jobs for skilled Americans and limit the number of poor that come here looking for work. No wonder Richard Alarcón got re-elected, and if he keeps handing out free food to his constituents, they'll give him another four years.

- Donna Connolly

Sherman Oaks

Soccer and its players

Re "Briefly Beckham" (July 22):

I doubt that 80 percent to 90 percent of Daily News readers ever heard the name David Beckham before and still could care less hearing any more about him. He seems to be engaged in a participant sport that has almost no spectator appeal in the U.S. and giving him the amount of news coverage he received won't change that one bit.

Devote your space to more important events that most of your readers are interested in. Soccer and its players are not in that category and certainly are not front-page material for any newspaper in America.

- Gene Gustavson

Glendale

Bush league critics

The whining, complaining, midnight sessions and threats of censure mean less than the polls. As president, Bush is the commander in chief of our armed forces. Once Congress approved the Iraq war resolution, its constitutional authority became moot except for funding, and we've seen how afraid its members are to appear to be unsupportive of our troops. Face it; Bush is president till January 2009. All the political grandstanding in the world won't change that.

As for impeachment, come on. If there were sufficient real (not imagined) grounds for impeachment, why is Bush still president? Because Congress loves him so?

- John Kurt

Reseda



<http://www.latimes.com/news/local/la-me-bids28jul28,0,5337110.story?coll=la-home-center>
From the Los Angeles Times

L.A. official steered work to relatives

Nearly \$800,000 in contracts, often with inflated prices, went to family and firms with political ties, data show.

By Ted Rohrlich and Jessica Garrison
Times Staff Writers

July 28, 2007

A high-level manager for the Housing Authority of the City of Los Angeles directed nearly \$800,000 in contracts to his brothers and three politically connected firms without competitive bidding or after rigged contests, a Times review has found.

The manager, Victor Taracena, oversaw more than 150 contracts worth about half a million dollars that went directly to companies his brothers created, contract files show.

Seven other contracts worth \$289,000 were awarded to non-family firms, two of which had little or no expertise in the work they were hired to do.

These firms — all with ties to current or former Los Angeles City Council members from the Eastside — won their contracts in bidding processes fraught with irregularities. In one case, a losing bid was submitted by a nonexistent company. Other such bids came from actual companies which, when contacted by The Times, said they were surprised to learn that bids had been submitted in their names.

Some purported bidders did not correctly spell their own names. And legitimate firms said their stationery had been obtained under false pretenses or fabricated.

"No, no, no, no," said George Sihvonen, a civil engineer who, contract files show, bid unsuccessfully on several jobs. "I haven't submitted any bids.... Those are not my doing at all. Somebody else has used my name."

The contracts involved design and construction of facilities to accommodate disabled people: wheelchair ramps, toilets and grab bars in city housing projects.

In numerous instances, the city housing authority appears to have overpaid for the services, based on comparisons with its counterpart in the county.

The overpayments — amounting to more than \$130,000 for toilets and grab bars alone — mean that scores of disabled residents may have to wait longer for their apartments to be made appropriately accessible, officials said.

The authority is responsible for providing housing to about 60,000 of the city's poorest families. Though governed by a commission appointed by the mayor, the authority is a free-standing agency primarily funded by the federal government.

Taracena, who was recently fired from his \$104,000-a-year job after a housing authority investigation, declined to comment, but his attorney, Marshall Rubin, said his client denies any wrongdoing. He would not elaborate.

Officials at the authority said they had referred Taracena's case to the Los Angeles County district attorney's office for possible prosecution.

David Demerjian, who heads the district attorney's public corruption unit, said no decision had been made on whether to file criminal charges.

The bid-rigging comes at a time when the housing authority is grappling with the consequences of a series of mismanagement and corruption scandals that three years ago had the agency on the brink of federal receivership. The agency no longer faces that danger.

Many agency leaders were swept out in the midst of a federal investigation into allegations of a kickback scheme. No kickbacks were proved.

The agency's current director, Rudolf Montiel, said he has spent much of the last few years working with the U.S. Department of Housing and Urban Development to root out corruption. Dozens of staffers have been fired or placed on leave. Several have been referred to the district attorney's office for criminal prosecution.

Taracena, who was hired in August 2003 as a construction project manager, was given the responsibility of bringing the city's 15-plus housing projects into compliance with the Americans With Disabilities Act. He was repeatedly promoted and by January 2006 placed in charge of all the authority's design and construction, reporting directly to Montiel.

Shortly after he was hired, according to contract files obtained under the California Public Records Act, he began steering jobs to family-owned construction and design companies. County records suggest that the companies did not exist until they began receiving contracts.

The firms — Pratt-Jennings-Holmes, Decker & Durden, Trevor and Associates, and So-Called Artists — are registered in the names of either Bennett or Diego Taracena, Victor Taracena's brothers.

Bennett Taracena declined to be interviewed. Diego Taracena did not respond to a written request for comment.

Contract files show that the brothers' firms won 94 out of the first 100 contracts that Taracena handed out. Most of the jobs were for just less than \$2,500 — then the limit for jobs Taracena could award at his discretion without soliciting bids.

Although the contracts were small, the authority often paid far more than necessary.

For instance, the authority paid nearly \$2,500 each to install 20 toilets for disabled people in projects around the city. By comparison, the Los Angeles County Housing Authority would pay about \$620, said Geoffrey Siebens, a construction manager there.

Similarly, Taracena authorized installing grab bars in bathrooms of nearly 50 housing units, paying nearly \$2,500 for most sets. Siebens said the county usually pays one-tenth that.

Moreover, records show that firms connected to Taracena's family sometimes double billed.

Early last year, to streamline the contracting process, the housing authority raised the limit that managers could award at their discretion to \$25,000. For awards between that and \$100,000, managers were required to solicit quotes from at least three contractors. Amounts higher than \$100,000 required a more formal process involving advertising for bids.

About the same time, Taracena began awarding larger contracts not only to family companies but to the three politically connected firms on the Eastside, each of which received payments of just less than \$100,000.

Representatives of two of the firms — the Estrada Courts Residents Management Corp. and Grande Vista Associates — denied any knowledge of rigged competitions. "I'm just happy that I got a contract," said Gustavo Valdivia, head of Grande Vista.

The head of the third, KV and Co., did not respond to repeated requests for comment.

The Estrada Courts group, a nonprofit run out of an Eastside housing project, received four contracts collectively worth about \$95,000. Headed by Abraham Paez, it already had government contracts to provide security guards and day-care programs at some projects.

Paez became an important player in internal housing authority politics a few years ago when he, with former Councilman Richard Alatorre, helped oust a previous assistant director at the authority suspected of taking kickbacks from a contractor, although the kickbacks were not proved and she was not charged.

Alatorre also has served as a paid consultant to the Estrada Courts group and the housing authority.

Without construction and design experience, the Estrada Courts group subcontracted its work to firms Taracena recommended, Paez said. At least one of the subcontractors was Pratt-Jennings-Holmes, created by Bennett Taracena.

Grande Vista, headed by political consultant Valdivia, a former member of Councilman Jose Huizar's staff, landed a \$98,895 contract.

And KV and Co. won two contracts worth \$95,230. The sole contractor among the three firms to have design expertise, it is headed by a man named John Kanounji (misspelled as Janouji in the bidding documents).

The three contract winners share various connections, not just with City Hall, but with one another. For instance, Valdivia sublets an office from Paez's Estrada Courts group. Paez and KV have been clients of former Councilman Nick Pacheco, who is Paez's attorney and KV's registered agent.

For the larger contracts, Taracena appears to have created a complex paper trail suggesting he followed the protocol of soliciting the minimum three bids required.

Interviews, however, suggest the process was nearly always fixed to make sure the politically connected firms won.

"That's my stationery. But I didn't bid this at all," said construction company owner Dick Boranian, whose firm was listed as an unsuccessful bidder. Boranian said he had submitted his firm's stationery to the housing authority to win an earlier job. But on this purported bid his name was misspelled, appearing as "Bodijian."

Sihvonen, the civil engineer who insisted he did not bid, said the stationery used in bids attributed to his firm had the wrong address — one that did not exist. Sihvonen said he once employed Taracena and, over the years, Taracena had hired him for small private jobs not involving the housing authority.

Other people whose stationery was used had ties to the Estrada Courts group or Valdivia, the political consultant, rather than Taracena.

Estelle Campbell, an interior designer who owns the building where Estrada and Valdivia have their offices, was one of them.

Files show she submitted a losing bid for the job Valdivia won.

But she said she never bid.

"I'm appalled," she said when shown a copy of the bid made in her name. "Those slugs."

Campbell recalled giving some of her stationery to an Estrada Courts employee, Phillip Chavez, at his request.

She said the request came after she and her partner spoke with Chavez about doing work with the housing authority. She never did any.

Chavez said he did not remember receiving stationery from her and had not submitted a bid in her name.

At least one of the losing bidders said he offered stationery to someone he thought was working on his behalf — Valdivia of Grande Vista Associates.

Ray Levert, who owns a construction firm in Downey, said he hired Valdivia to help him resolve problems related to a project in Whittier. Valdivia asked him, he said, whether he would be interested in obtaining housing authority contracts. He said Valdivia helped him bid. Levert said he would give Valdivia estimates for jobs which, as far as he knew, Valdivia would refine and then submit to the authority on Levert's stationery.

Levert said he never won.

But records show Valdivia did — by underbidding Levert.

"Is that unethical?" Levert asked, when shown the paperwork.

Valdivia acknowledged that Levert was a client on an unrelated project in Whittier but denied submitting bids to the housing authority on Levert's behalf.

In one case, documents and interviews show, a company that bid repeatedly does not seem to have existed.

Files show that someone named "John Vargas" of "Vargas Designs" submitted bids and gave a Highland Park address. There is a drafting firm at that address, but the father and son who run it say they have never heard of John Vargas.

A review of public records also turned up no Vargas at that address.

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(INFOBOX BELOW)

The \$2,500 toilet*

A comparison of expenses paid by the city and county housing agencies.

- Price per toilet paid by the Housing Authority of the City of Los Angeles: \$2,445.
- Price per toilet paid by the Los Angeles County Housing Authority: \$620.
- Price per grab bar paid by the city: \$2,000 to \$2,500.
- Price per grab bar paid by the county: \$250.

*Prices cover removal of an old toilet and installation of a new one that meets Americans With Disabilities Act standards in apartments in public housing projects. The city had a \$2,500 ceiling for no-bid contracts that could be awarded by managers at their sole discretion.

Source: Los Angeles city and county housing authorities

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(INFOBOX BELOW)

An unreal bid

-

Housing authority files show this bid for about \$100,000 in construction design work at three housing projects was submitted in the name of civil engineer George Sihvonen. But Sihvonen said he never made the bid.

--

Other bidders for this contract listed in city housing authority records included:

Republic Services Group, whose owner said he did not submit the bid.

Estelle Campbell, who also said she did not submit the bid.

KV and Co., whose bid was submitted in the name of a nonexistent executive.

Vargas Designs, a company that apparently does not exist.

West Coast United, whose owner said he submitted a bid through his political consultant, Gustavo Valdivia, an assertion Valdivia denied.

Valdivia's firm, Grande Vista Associates, which won the bid.

Estrada Courts Resident Management Corp., from whom Valdivia sublets office space.

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Sources: Housing Authority of the City of Los Angeles, Times reporting

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PARTNERS:



Money for nothing

Condo fee just makes housing more expensive

Article Last Updated:07/30/2007 10:07:08 PM PDT

IN the big picture of buying a home, \$150 is almost nothing, barely a blip. Next to the thousands of dollars buyers have to cough up for various closing costs, from county fees to the cost for copying all the documents, who's going to notice an obscure little fee?

That was surely the logic behind the Housing Authority of Los Angeles' decision this spring to charge condo owners \$150 to process a single document - a waiver that the agency passes on the right to buy the condo (a right it has under a 33-year-old law).

Besides, by presenting it as a way to provide money for more affordable-housing units, who was going to question it?

Well, it's in question now, as the mayor and the agency contemplate using the money to buy condos in the city as a strategy for maintaining affordable housing, a strategy that seems dodgy at best.

Buying a home in Los Angeles is hard enough. Fewer than 20 percent of the L.A. County residents can afford it. And if it weren't for the relative bargains of condos, that percentage would be even smaller.

No one, evidently, sees how counterintuitive it is to hit those few on the bottom of the real-estate buying ladder with a fee and by shrinking the market of available properties. Even the City Council's two strongest advocates for affordable housing - Eric Garcetti and Ed Reyes - don't see this fee-for-condos scheme as the best way to secure housing for lower-income folks.

The fee is particularly egregious in the face of allegations of corruption in the Housing Authority by top manager Victor Taracena. Recent reports indicate Taracena steered nearly \$800,000 in contracts to his brothers and three politically connected firms without competitive bidding and for jacked-up prices. This is not an agency that the city ought to trust with an issue as important as housing, nor with any more public money.

The city ought to rescind this fee and put its energy into housing solutions that increase the stock of affordable housing - not take it away.

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From the Los Angeles Times

City official calls for audit of Housing Authority

The agency places three employees on leave during an investigation of possible bid-rigging and the installation of overpriced bathroom fixtures.

By Jessica Garrison and Ted Rohrlich
Times Staff Writers

August 1, 2007

City Councilwoman Janice Hahn called for an audit of the Housing Authority of the city of Los Angeles, citing a Times report last week pointing to bid-rigging and installation of pricey toilets.

"I am constantly fighting to get more funding for services, like summer jobs and community center hours, for the residents of our housing developments. Now I read in the L.A. Times" that the authority "has spent \$2,500 on a toilet. This is frustrating and disturbing," Hahn said.

Separately, City Controller Laura Chick announced that she already had planned to send auditors to the department to determine what parts of the agency need further scrutiny.

Meanwhile, the housing authority placed three employees on leave late Monday while their involvement in the scandal is investigated, sources said. The three were not identified.

The developments follow an article in The Times on Saturday about a housing authority manager who directed about \$800,000 in contracts to his brothers and three politically connected firms without competitive bidding or after rigged contests.

The manager, Victor Taracena, was fired earlier this year after housing authority officials investigated his contracting practices. His case was referred to the Los Angeles County district attorney for possible prosecution.

Taracena's attorney, Marshall Rubin, has said that his client denies wrongdoing. Rubin on Tuesday declined to elaborate, saying he had not recently had a chance to speak with his client.

The newspaper also found that the authority overpaid for many items — about four times more than the county housing authority does to buy and install toilets and about 10 times what the county agency pays to buy and install grab bars. The overspending on those items alone cost the agency more than \$130,000.

The installations were intended to make public housing more accessible to disabled people and the overspending could delay some projects.

Housing authority Executive Director Rudolf Montiel said he had spoken with Hahn and looked forward to working with her and the controller, Chick. But he defended the agency's financial controls.

Even the tightest controls, he said, won't "keep opportunistic employees from defrauding the agency. It happens here and it happens ... all the time in other city agencies."

Montiel came to the agency three years ago in the wake of a series of mismanagement and corruption scandals that had the agency on the brink of federal receivership.

He said he has moved aggressively to reform the agency's financial procedures and improve its practices. Dozens of staffers, including Taracena, have been fired or placed on leave. Several have been referred to the district attorney's office for criminal prosecution.

But Hahn, whose district includes housing projects such as Nickerson Gardens and Jordan Downs, said she believed the authority needed more scrutiny from city officials.

The authority, a free-standing agency run by a mayor-appointed commission, receives almost all its funding from the federal government.

But Hahn said that when the authority cuts programs or wastes money, the city sometimes must step in. Her motion noted several examples. In 2002, the Los Angeles Police Department had to step up patrol of the city housing projects after the authority cut its police force.

More recently, she said, city officials have had to push the authority to keep computer labs and community recreation centers at the projects open after cuts.

"Is there really a lack of funds or are they just being spent on the wrong priorities?" she said.

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PARTNERS:



ANTHROPOLIS VALLEY PRESS
AUG 19, 2007

Section 8 renters face cutoff

By VERONICA ROCHA
Valley Press Staff Writer

LITTLEROCK — Nine Section 8 recipients will be recommended for termination from the housing subsidy voucher program after sheriff's deputies and investigators Wednesday conducted compliance searches of their homes.

The recipients face termination for unfit living conditions and allowing unauthorized tenants and individuals on parole or probation to reside inside the homes, said Investigator Lee D'Errico of the Los Angeles County Housing Authority.

Deputies set out Wednesday to search 11 homes in order to determine whether the Section 8 recipients who lived there were complying with the rules and regulations of the Housing Choice Voucher Program.

About 9 a.m. Wednesday, deputies from the Los Angeles County Sheriff's Department COPS Bureau, Palmdale Sheriff's Station deputies, Deputy District Attorney code enforcement investigators and a Housing Authority Section 8 investigator descended upon a home in a quiet Littlerock neighborhood in the 10100 block of East Avenue S-6.

Before Wednesday's search, deputies had been issued a warrant to search the home in connection with credit card fraud and the manufacturing of credit cards, said Deputy Robert Ferrell of the Palmdale Sheriff's Station.

A 23-year-old woman who was at the home was arrested on suspicion of credit card fraud. The woman is on probation for a narcotics violation.

The woman's parents are Section 8 recipients. Under Section 8 regulations, recipients are forbidden to allow individuals on probation or parole to reside inside their subsidized rental. Section 8 recipients must provide the Housing Authority with a list of people who reside at the home, and those individuals must be authorized by the Housing Authority.

"She claims she doesn't live here," Ferrell said.

Deputies found the woman's booking sheet, in which she wrote that she lived at the home's address.

The woman's disabled father told deputies that his children were taking advantage of him and his wife, and that he wanted them out of their home.

D'Errico said the parents would be moved to possibly a one-bedroom apartment at a retirement community to ensure their children do not attempt to reside with them.

"We are going to move the parents, who truly need the program, to a more suitable home," D'Errico said.

Deputies ordered the woman to

"We are going to move the parents, who truly need the program, to a more suitable home."

— Investigator Lee D'Errico, L.A. County Housing Authority.

leave her parents' home Wednesday.

If a Section 8 home has several building or health violations, the code enforcement investigators will record the violations and possibly return to the home with Los Angeles County's newly established Nuisance Abatement Team.

Wednesday's search was the first in a series of searches the Sheriff's Department has planned.

"People were cooperative," Ferrell said. "We didn't have to argue with anyone."

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housing voucher policy much faster by accelerating public housing deterioration.

And HUD can offset a portion of the \$1 billion Office of Management & Budget bailout of project-based Sec. 8 landlord support (*HAL*, 7/27p1).

Info: www.cdpublications.com/docs/3581



Panel Packing At HUD?

Public housing residents on a blue-ribbon panel to advise HUD on streamlining of rules want the department to have more public housing rules and regulations, sources tell *HAL*.

HUD doesn't want to hear mutinous suggestions, and officials reportedly are trying to figure out how to pack the panel with members favoring fewer rules. The department faces a major obstacle—its own rule barring panel changes once the panel is established.

Now, resident-advocates sit on the 23-member Resident Involvement/Self-Sufficiency panel with HUD staffers and at least one public-housing advocate.

The panel is scheduled to meet several times in coming weeks—an average of every two weeks via conference call—before unveiling its decisions in late September.

Residents fear fewer regulatory obstacles would make it easier for HUD to scrap support of public housing developments which fail to be largely self-supporting.

HUD has established several such panels to advise on a broad overhaul of department administrative practices with an eye on diminution of the more than 9,000-employee department.



HEARD AT HUD

HUD Exodus Accelerates

Another top HUD executive will leave his post in an anticipated mass exodus of department talent in coming months.

As *HAL* told you was likely (*HAL*, 6/29p3), Deputy Chief of Staff Scott Keller departs after waiting more than nine months to be confirmed by the Senate as the department's congressional liaison.

Keller's departure leaves both politically crucial positions vacant indefinitely.

The Senate's delay in confirming Bush administration appointees is part of a pattern by Democratic leaders to limit opportunities for political appointees to be absorbed into the civil service system, sources tell *HAL*.

CONGRESS

Lawmakers Have Full Plate

Lawmakers have a load of work when they return from their traditional mid-year vacation in September, topped by wrangling over what's left of the FY 2008 spending proposal to avoid a presidential veto.

President Bush hints at a veto if any of the remaining measures exceed administration spending levels, a problem already facing the proposed HUD spending bill, HR 3074, which is \$4.1 billion over budget (*HAL*, 7/27p2).

Congress will have, at the least, 12 working days to resolve all spending issues or face another round of stopgap spending resolutions into the new spending year beginning Oct. 1.

One solution to sidestep a veto is an omnibus spending measure encompassing all the remaining appropriations bills. Congressional staffers tell *HAL* the move would challenge Bush to either sign the measure or face shutdown of government not unlike 1995, when President Clinton faced off with lawmakers.

Meanwhile, the House faces overhaul of the Federal Housing Admin. (FHA), HR 1852, but a major sticking point is the proposed housing trust fund financing system, which may hold up approval on the House floor (*see related story p7*).

Another major project, pushed by House Financial Services Chairman Barney Frank (D-MA) and Housing Subcommittee Chairwoman Maxine Waters (D-CA), is the proposed affordable housing trust fund.

Both, along with a push for predatory lending reform, likely will consume focus on housing issues at least through September.

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INDICATORS

Another Drop in Long-Term Rates

The 30-year fixed-rate mortgage averaged 6.59%, down from last week's average of 6.68%, a Freddie Mac survey shows.

The five-year adjustable-rate mortgage averaged 6.33%, up from last week's 6.29% average.

Meanwhile, the one-year ARM averaged 5.65%, up from last week when it averaged 5.59%.

"Interest rates on prime conforming fixed-rate mortgages eased further in the past week, according to the Primary Mortgage Market Survey, even though other sources such as HSH Associates reported that jumbo fixed rates increased by a quarter percent or more last week," said Frank Nothaft, Freddie Mac vice president and chief economist.

HOUSING AFFAIRS RATE WATCH

PRIMARY MORTGAGE MARKET

Commitment Rates	7/12	7/19	7/26	8/2	8/9
Fixed Rate	6.73	6.73	6.69	6.68	6.59
Fees & Points	0.4	0.4	0.4	0.3	0.4
15-yr. FRMs	6.39	6.38	6.37	6.32	6.25
Fees & Points	0.4	0.4	0.4	0.3	0.4
1-yr. ARMs	5.71	5.72	5.69	5.59	5.65
Fees & Points	0.5	0.5	0.5	0.5	0.5

SECONDARY

FNMA					
30-yr. FRM*	6.62	6.64	6.61	6.56	6.46
FHLMC					
30-yr. *	6.58	6.56	6.46	6.44	6.40

*Required Net Yields, 30-Day Delivery

Info: FHLMC, 703/903-2446; MBA, 202/557-2737

STATE & LOCAL

Housing Trust Fund Awards

Connecticut: Gov. Jodi Rell (R) hands out \$8.7 million from the state's housing trust fund in a third round of awards for affordable housing construction.

The state bond commission approved creation and preservation of 477 housing units with the awards from the \$100 million trust.

Previous funding provided \$20 million to rehab 342 houses and create 360 units of affordable housing.

to receive tax breaks.

Change in the 421-a program, begun in the 1970s to spur housing development, collapsed last month when lawmakers revised the city's proposal, prompting city officials to urge Gov. Eliot Spitzer (D) to veto it.

HOPE VI Buyback Offered

Texas: HUD says it will purchase homes from dissatisfied homeowners in the large Mirasol HOPE VI public housing replacement complex in San Antonio.

The department offers to pay fair market value for the properties and forgive second mortgages provided by the San Antonio Housing Authority (SAHA).

HUD's offer targets 81 homeowners and 23 families participating in Mirasol's lease-purchase program. Residents have 180 days to decide.

Mirasol is a HOPE VI project begun in 1995 with a \$48 million award. About \$21 million financed construction of 246 single-family homes which have been the target of complaints of water damage, mold and faulty drywalls.

New Sec. 8 Vouchers In Big Apple

New York: Following a 12-year absence, the New York City Housing Authority (NYCHA) distributes the first of 22,000 new Sec. 8 housing vouchers to slightly more than 200 families.

The vouchers were made available in increased FY 2007 funding for the program.

NYCHA's Sec. 8 waiting list is closed again while officials sort through more than 200,000 applications received after the list reopened.

Pact On Tax Break Overhaul

New York: State lawmakers and New York City officials reach agreement to overhaul a tax break for apartment building developers.

The change is pushed to encourage construction of apartments for low-income families and it expands the number of neighborhoods where builders are required to set aside units for low- and moderate-income families in order

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Number of poor growing in city

This story appeared in the Antelope Valley Press on Sunday, August 12, 2007.

By MARISSA BELLES
Valley Press Staff Writer

LANCASTER - In the last six years Lancaster residents have gotten poorer and richer.

According to the U.S. Census, in 2005, 21.6% of Lancaster residents lived below the poverty line compared to 16.4% in 1999.

Between 1999 and 2005, the number of households making less than \$15,000 increased 18%, the number of households making more than \$100,000 also increased 10% to 15%, and households making between \$30,000 and \$60,000 decreased 2% to 3%. Despite an increase in median household income to \$44,277 from \$41,127, the gap between the wealthy and the very poor is widening.

Research done by the Brookings Institution, a private organization devoted to analyzing public policy issues, shows a nationwide trend of poverty spreading from urban cores such as Los Angeles into suburbs.

In an analysis conducted by Alan Berube and Elizabeth Kneebone of Brookings that looked at the nation's 100 largest metropolitan areas, in 1999 large cities and their suburbs had nearly equal numbers of poor individuals, but by 2005 the suburban poor outnumbered their city counterparts by at least 1 million.

Madeleine Stoner, an urban affairs expert from the University of Southern California, said much of the suburban poverty is related to the working poor.

"We aren't talking about the old inner-city poverty where people are dependent on welfare," Stoner said. "The questions then becomes about the people who are working and poor." Stoner said the common problems involve family dysfunction, which can lead to at-risk youth, runaways and gang behavior.

According to the Census, in 2005, 52% of those in poverty are children, 17 and under, and 55% of those in poverty are female.

"It's quite tragic because people moved into the Antelope Valley and other places throughout the country to get away from the blights of the city and to have better opportunities for their families," Stoner said. "Now they are facing the same problems. ... Poverty is noxious no matter where you live."

Steve Baker, executive director of Grace Resource Center in Lancaster, said his local nonprofit agency is seeing more homeless families than ever before.

"We have a lot of working poor here who are one step up from homeless," Baker said. "Affordable housing is a big issue. Rents have tripled in the last five years, so what do you do?"

Mayor Henry Hearn said he believes commercial development will close the gap between the very wealthy and the very poor within the next three years.

"If we start moving on some of these retail developments we got going on, they will provide the jobs we need," Hearn said. "When people have jobs, they can start moving out of that lower-income bracket and begin providing support for their family." Stoner said that approach is shortsighted because those types of jobs don't provide the income needed for a household to survive.

"Retail development is another big-box store that hardly pays," Stoner said. "Looking at the data, these are not two-person households, but a lot of single mothers with children,"

Vice Mayor Andy Visokey said it would be more beneficial to work on industrial development so the city could have the higher-paying jobs.

"Commercial development is important, but if people don't have good-paying jobs, they won't be shopping anyway," Visokey said.

Lancaster's economic development department has taken steps to reach out to local schools and prepare students to enter the 21st century work force. The city formed Lancaster Apprentice Development and Deployment for Economic Revitalization, which creates a connection between the high school district, Antelope Valley College's technical programs and local businesses.

Lancaster also is unveiling its Strong Neighborhood Initiative, which began with an in-depth evaluation of the city's neighborhoods. A notebook was filled with maps, each showing a snapshot of Section 8 rental housing, crime and poverty, which city officials are translating into a road map of revitalization and action plans.

"We expect this to go before the council within the next month or so," City Manager Bob LaSala said.

Palmdale adopted a holistic approach through Partners for a Better Palmdale. The program expands on the city's 15-year-old Partners Against Crime program with measures that include increasing the involvement and training of community volunteers, expanding youth-activity and parenting programs.

"This is the Antelope Valley's time to build the social infrastructure it needs to protect the future," Stoner said. "Outreach is a key element and it looks as though Palmdale is at least trying."

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<http://www.latimes.com/news/opinion/la-op-kotkin12aug12,1,3406838.story>
 From the Los Angeles Times

Why the rush to Manhattanize L.A.?

There seems to be little public debate about the dramatic remaking of Los Angeles into a left-coast New York.
 By Joel Kotkin

August 12, 2007

Last week, the City Council voted 12 to 0 to approve a sweeping set of zoning changes that will encourage larger and more dense development downtown.

The new rules are only the latest move toward the Manhattanization of Los Angeles. There's also the renewed interest in extending the Red Line subway to the ocean. And there's billionaire Phil Anschutz's plan to create a Times Square for Los Angeles near Staples Center, as well as billionaire Eli Broad's aim to duplicate New York's 5th Avenue along Grand Avenue. There's even talk, in planning circles, of building mini-condos and apartments at -- what else? -- Manhattanite sizes of 250 to 350 square feet.

Los Angeles, the first great modern metropolis with multiple urban cores, seems determined to remake its urban DNA -- and fashion itself, to one degree or another, in the image of New York City. Bruce B. Brugmann, the populist publisher of the San Francisco Bay Guardian, coined the term "Manhattanization" in the 1970s to describe just what we're seeing. Broadly speaking, it refers to a vertical urbanism in which the entire city serves as a bedroom for a dominant urban core that is chock-full of cultural attractions. Density is a premium value in a successfully Manhattanized city, producing economies of scale, extraordinary concentrations of skills and an entertaining street scene. Human activities are more important than sunlight, nature or individual privacy.

Such development is peculiarly suited for Manhattan Island, a geographically constrained and remarkably stable lump of rock on which the city grew rapidly in the heyday of water and rail transportation. It's not so clear, however, that L.A., which has been expanding outward for more than 100 years and is famously sun drenched, car crazy, blessed with natural beauty and earthquake prone, should follow a similar course.

At the very least, such a dramatic change should be the topic of serious debate among politicians, city officials and the public. But so far, the debate about higher density in L.A. has been as contentious as public discussions in the former Soviet Union.

Why is this happening? One reason for the city's apparent lock-step march to Manhattanization is that big developers are increasingly dominating and politicizing land-use decisions, much as they do in New York City. The \$4-billion "Atlantic Yards" project in New York is an example. The proposal would add about 6,500 mixed-income residential units to the generally low- and mid-rise environment of downtown Brooklyn, making population density in the area among the nation's highest. Despite intense grass-roots opposition, developer Bruce Ratner and his ally, Mayor Michael Bloomberg, have won at least \$500 million in subsidies for the project.

"You can't stop [big developer] interests unless you have equally powerful interests on your side," said urban historian Fred Siegel.

Similar developer-driven politics is becoming increasingly common in Los Angeles as well. Land and politics have a long history in the city. But many smaller builders -- people who constructed tract housing or apartments in

the 1970s and 1980s -- no longer can play today's complex political game, involving government subsidies, "air rights" to allow more high rises and inclusionary zoning that requires below-market units in new projects. One retail developer told me that he and others like him prefer to build in such places as San Fernando, Burbank and the Inland Empire, where "the development game" is not as complex and politically determined.

That leaves the field largely to big developers with deeper pockets, more lawyers, better political connections and diversified interests that enable them to wait out the city regulatory process. "A decade or two ago," said Robert Scott, who served on the Los Angeles Planning Commission from 1993 to 2003, "you could still build pretty much by the existing code. But the process has become less and less accessible" to smaller players.

In part, that's because city policies have promoted, at least in principle, such social goals as affordable housing and "smart growth" -- building condos and apartments near commercial areas and transit lines. But the side effect of these policies has been to make the development process impenetrable to all but the most well-heeled, Scott says.

What opposition there is to Manhattanization is relatively isolated -- like the citizen recall effort against Westside City Councilman Jack Weiss, who is considered by some of his constituents to be too friendly with big developers. Weiss alienated them when he embraced construction of two 47-story condominium towers in Century City, calling the project a perfect example of smart growth. Homeowner groups strongly opposed the development because they contended that it would add to already heavy traffic congestion in the area. (Chicago-based JMB Realty, the project's developer, eventually agreed to create a \$5-million fund to soften the environmental effects of the towers, and a dispute about who controls it sparked the recall effort against Weiss.)

But only a handful of local politicians -- including, most notably, Supervisor Zev Yaroslavsky -- seem to recognize that some Angelenos think that adding density to our already crowded region won't necessarily improve the quality of life. He recently told a gathering of neighborhood councils that "the gulf" between City Hall and the community over land use and development "gets wider every day."

The paucity of official opposition to Manhattanization reflects, in part, changes in L.A. politics. As recently as the 1990s, the city's political scene was a fractious game, with distinct voices representing different neighborhoods, ethnic groups, labor and business associations. Opposition to further high-density development was particularly strong in the San Fernando Valley. There, such grass-roots-oriented City Council members as Joel Wachs and Ernani Bernardi paid more attention to the interests of their constituents than to those of developers and unions. Bernardi, for instance, was a constant foe of the city's redevelopment agency, which long promoted high-density growth, and he and Wachs often challenged downtown development proposals tied to taxpayer subsidies.

Today, small developers, who often had local supporters, are out, and citywide and national players are in. Prime examples are New York-based Related Cos. (Grand Avenue), Anschutz Entertainment Group (L.A. Live), JMB Realty (condo towers in Century City), Astani Enterprises (downtown condos), J.H. Snyder Co. (NoHo Commons), as well as the shopping-mall giant Westfield, which has proposed building in the west Valley what would be one of the largest malls in Southern California.

These companies, along with other developers, have become substantial contributors to the campaigns and causes of local politicians. Mayor Antonio Villaraigosa's campaign to control the L.A. Unified School District, for instance, was a recent beneficiary. Because it was an issue campaign (rather than a political race), there were no limits on contributions, and many big developers with projects pending or already underway in the city were generous in their giving.

For example, Anschutz Entertainment Group (AEG) gave \$125,000 to the mayor's Committee for Government Excellence and Accountability, set up to lobby for a bill that would have given him significant control over L.A. Unified, and to Partnership for Better Schools, which spearheaded Villaraigosa's successful drive to win a majority on the school board. Other contributors to the two committees included developer J.H. Snyder Co. (\$100,000); AP Properties, a JMB Realty affiliate (\$100,000); Astani Enterprises (\$100,000) and Westfield (\$100,000).

Term limits also may encourage developer-driven politics. Before voters limited their time in office to two

consecutive four-year terms in 1993, council members often represented their districts for decades without having to worry much about challengers. Bernardi, for instance, served 32 years on the City Council.

But in the era of term limits, ambitious council members facing the end of their terms have to begin fundraising for their next race for elected office almost immediately after election day. Given the high cost of modern campaigns, they have no incentive to alienate wealthy developers who could bankroll them. True, individual contributions to political campaigns are capped. But big developers have subcontractors, lobbyists and lawyers who can add even more dollars.

This may partly explain why the City Council -- even those members who represent the Valley and South Los Angeles and might logically be skeptical about subsidies for downtown developers -- has largely bought into the mayor's vision of "elegant density" to keep pace with rising demand for housing. For instance, not only did council members vote 12 to 0 on last week's zoning overhaul, but earlier this year, the vote to lease public land and grant about \$66 million in tax breaks over 20 years to the developer of the Grand Avenue project was 13 to 0 by the City Council and 4 to 1 by the L.A. County Board of Supervisors. And in 2005, AEG received \$270 million in financial help from the city for L.A. Live. The vote: 14 to 0.

There is nothing necessarily wrong with unanimity. The problem is the lack of rigorous debate or much public discussion. For instance, the council's decision last week to change downtown's zoning rules involved virtually no debate at all.

Ever higher density downtown -- and in other parts of the city -- may be one answer for L.A.'s housing shortage. Although it's hard to see studio or one-bedroom apartments as a big help for working- or middle-class families.

But the current Manhattanization poses many risks. Traffic congestion is likely to get worse before it gets better because the city's transit system is not sufficient to get people out of their cars now or in the immediate future. Too much construction of expensive high-density space, particularly downtown, could create a glut, which could dampen prices and force developers to seek renters rather than buyers. Already, the trend is toward rentals, rather than sales, in the downtown market.

Ultimately, it comes down to whether Los Angeles will have a serious debate about where it is headed. Jumping blindly on the Manhattan express, without considering the implications for the city and its many great neighborhoods, is not a promising first step.

Joel Kotkin is a presidential fellow in urban futures at Chapman University. He is author of "The City: A Global History" and is working on a book about America's future.

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PARTNERS:



Haefele at Large - Time to Bring Public Housing into the Tent?



By Marc B. Haefele



The 60,000 people who live in LA's 16 public housing projects are usually invisible to most of the rest of us.

Sure, we can drive past Aiso Houses, or Nickerson Gardens' broad lawns and worn deco apartment blocks and think, "Hey, it doesn't look as bad as I thought," while also admitting, "I'm sure glad I don't live there." To be fair, we also drive past a lot of the newer, more attractive Housing Authority sites without realizing that's public housing, too.

But on the whole, we simply don't notice the publicly housed. There are good reasons for this: They comprise well under two percent of the city's population. And they are scattered over far-flung locations in this most far-flung of cities. We presume, rightly or wrongly, that they contain a high proportion of fatherless families, a high rate of gang activity, a low rate of high school completion, so we think of people in public housing as symbolic of all that's wrong with our society. The people who live in public housing may have little choice in being where they are. But we can make matters worse if we choose to ignore them. Usually, though, we do. And they suffer accordingly.

Los Angeles is the only city I can think of in America that rejected public housing for purely ideological reasons back when most of it was being built: hence it has less public housing per capita than most other large cities. Veteran Folk-Rocker Ry Cooder recently retold the story of this rejection in his fantastic musical history-revue of Chavez Ravine, which 55 years ago became LA's public-housing Battle of the Marne. And after that, Our Fair City simply made itself safe from Commies and housing activists, not that there was, in those days, any real distinction made between the two.

Despite this, some public housing already existed and more public housing did get built. And to oversee it, there was mandated a Los Angeles City Housing Authority. Which became, over half a century, one of the most frequently corrupted agencies in the entire city government.



It's something like 22 years since I attended my first LA Housing Authority board meeting. It was also my last: the problem being that, since no one cares about the publicly housed, this panel isn't on anyone's beat. As I recall, the order of that evening meeting was the ouster of a general manager on corruption charges. I've lost track of how many high level ousters there've been in that agency since.

This time, though, it wasn't a top level person. It was a construction manager named Victor Taracena, who was alleged to have fixed high-priced non-bid contracts for his brothers and friends. About \$800,000 went out the door that way, meaning that this money wasn't used to fix many things that desperately needed fixing in City housing projects. To his credit, current housing authority director Rudy Montiel rooted out this corruption himself and got Taracena fired. Involved in the mess was something called the Estrada Courts group, a supposed nonprofit located in that Eastside housing project. It received four contracts collectively worth about \$95,000. and is headed by one Abraham Paez, who has worked with former 14th District Councilman and perennial City Hall bad penny Richard Alatorre. Former 14th District Councilman Nick Pacheco is lawyering for Paez. So Estrada sounds a bit like an official 14th District franchise. Let's just hope it's out of the

picture now, along with Taracena.

But the larger problem remains: a ghostly city agency with an invisible but important clientele. How to remedy this? Confusingly, LA has two housing agencies, the Housing Authority, which handles public-owned housing and the Housing Department that supervises non-city-owned rental housing.

The Housing Department certainly isn't perfect, but it get a lot more public attention and scrutiny. Maybe it's time to deconfuse things--to fold the two together into one big city housing entity. The arrangement would fit in with the purported rental housing priorities of the Villaraigosa administration. And maybe keep a little more light on this perennially underlit area of Housing Authority-ruled housing.

Such a merger would also help de-ghettoize LA public housing itself, by making it a part of the much larger, more visible world of City supervised rental housing in which most Angelenos live. Which, after all is what it's really been all along.

(Marc Haefele has been covering LA politics for 25 years for the LA Weekly, KPCC Radio and is an occasional contributor to the Los Angeles Times' Op-Ed Page. Haefele writes this weekly column for CityWatch.) _

Close Window

Mayor signs downtown housing law

Developers have incentives for creating taller buildings

BY RICK ORLOV
Staff Writer

Hoping to fire up a residential building boom in downtown Los Angeles, Mayor Antonio Villaraigosa signed a measure Monday streamlining city zoning law and offering developers incentives to build bigger buildings in the city's urban core.

The measure creates an urban planning zone for downtown that runs from the Harbor Freeway to Martin Luther King Jr. Boulevard and allows residential developers to construct larger buildings if they provide units for low-, moderate- and work-force-income residents.

It also establishes basic regulations eliminating setbacks and other existing zoning requirements, which have generally been waived for new construction.

"We are getting rid of the archaic suburban model that demands large yards and setbacks and developing an urban model ...

of wider pedestrian-friendly streets, green space and ground-floor retail and commercial developments," said Councilwoman Jan Perry, who represents the downtown area and championed the change.

The ordinance is designed to build on momentum created by developments including the Grand Avenue project and L.A. Live.

"We need to rethink what the city looks like. We need to grow smart, we need to grow green, we need to grow in a way that addresses mixed-use development along transportation corridors and in places like downtown," Villaraigosa said.

The signing ceremony was held at Ninth and Flower streets, where developer Sonny Asanti is building twin 28-story towers in a \$350 million project. It will have 624 units when completed, all designed to sell at the median market rate of \$450,000-\$550,000,

Asanti said.

While he is not taking advantage of the ordinance's incentives, Asanti said he believes it will contribute to providing more affordable housing downtown.

"What downtown offers now and will offer is a menu of housing for first-time homebuyers to get into the market and more upscale housing as well," Asanti said.

But while city planners back the measure as part of "smart growth," some questioned whether the city's infrastructure can handle any influx.

"It might be one of those things of 'be careful what you wish for,'" said Jack Kyser, chief economist at the Los Angeles County Economic Development Corp. "A lot of people look at downtown and say the density can be handled easily. But, along with the growth comes other concerns."

"Where are we getting the police and fire services that will be needed? Where are the schools to support a new urban population. Everyone says we need more housing and we do, but it doesn't solve all our problems."

Gerald Silver of Homeowners of Encino said the measure will help alleviate pressure to boost development along Ventura Boulevard but raises other concerns.

"This measure has some benefits to the Valley by concentrating new growth downtown," Silver said. "But, in the broader picture, I don't know if we can support an increase in the density like this."

"They can put in the housing, but where are we going to get the water and power to sustain people? I see a real lack of infrastructure to support the housing."

He also said it is unclear whether the new zoning law could be applied to areas such as along the Orange Line.

City officials said each area of the city would have to be studied to determine whether the zoning changes would apply to allow

Density law highlights

- Developers can boost the proposed size of their buildings by 35 percent if they offer affordable housing.
- Developers must set aside 5 percent of the units for very-low-income residents and include: 10 percent of units for low-income residents; or 15 percent for moderate-income residents; or 20 percent of units for households with "work-force incomes," which is about 150 percent of the median as defined by the U.S. Department of Urban Development.
- That median is about \$57,000 annually for a family of four. A family of four with an annual income of \$37,000 or less would be considered very-low income.
- The ordinance applies to buildings between the Hollywood Freeway on the north, the Harbor Freeway and Figueroa Street on the west, Alameda and Grand Avenue on the east, and Washington and Martin Luther King Jr. boulevards on the south.
- Property owners are prohibited from eliminating affordable units during makeovers.

— City News Service

more high-rise construction.

But Villaraigosa said the measure is designed to deal with the housing crisis in the city and state.

"The projections are we will grow by the size of two Chicagos in the next 20 years," he said. "We are going to have growth. The

question is how do we accommodate it? "If you look at New York and Chicago, London, Rome, Tokyo or Shanghai, they are all going vertical. We need to do that to accommodate our growth."

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8/14/07

I. Members Affected by Withheld Bonuses Urged to Contact Members of Congress

As you know, on July 27, HUD sent a letter to PHA executive directors announcing that it will not distribute capital fund bonuses for high performing agencies in 2007. The letter stated that the reason for eliminating the bonuses this year is that HUD was far behind in processing PHAS scores. In response to this letter, CLPHA and its industry partners wrote to Secretary Jackson (see attached) stating that HUD is required by statute to reward high performing agencies in the Capital Fund Formula.

On August 10, CLPHA and its industry partners met with Assistant Secretary Cabrera and other HUD officials about this matter. The industry argued that HUD was violating statute by skipping 2007 and that there were other fixes available to the Department. However, HUD officials remained firm in their position. Their plan is to use 2006 PHAS scores to determine bonuses for 2008. (They will then use 2007 PHAS scores to determine bonuses for 2009 and so on.)

It was clear from the discussion that the Department has suffered a dramatic breakdown in the process surrounding PHAS scores. CLPHA believes that HUD does not have the authority to eliminate bonuses for 2007 and that HUD should not solve its internal problems by withholding funds from housing authorities that had reasonable expectations of receiving those funds. **If you believe that your housing authority will be a high performer in 2007 and will miss out on the bonus because of HUD's recent action, please contact the members of your Congressional delegation.**

Note to 2006 high performers on calculating bonus amount: The first distribution of capital funds that your housing authority received for 2006 was equal to 95% of your total capital fund grant for that year. Because HUD was so late in calculating PHAS scores in 2006, it initially released 95% of the capital fund appropriation, holding back 5% for bonuses. **The capital fund distribution you received in May 2007 increased your grant from 95% to 103%.** Because no bonuses will be awarded in 2007, all PHAs will receive 100% of their capital fund grants. Thus, the amount of capital funds that you will lose because HUD is not awarding bonuses is less than the amount of funds you received in May of this year.

Contact: Tara O'Neill, CLPHA Research Director, at: toneill@clpha.org.

Attachment



August 1, 2007

Honorable Alphonso Jackson
Secretary
U.S. Department of Housing
& Urban Development
451 Seventh Street SW
Suite 10000
Washington, DC 20410

Dear Secretary Jackson:

The three organizations referenced above are writing to you jointly to express our opposition to HUD's recently announced decision to forgo Capital Fund bonus awards this year. Assistant Secretary Orlando Cabrera's July 27 letter to agency executives stated that HUD was unable to complete Public Housing Assessment System (PHAS) scoring in a timely way and, as a result, HUD would not distribute bonuses that high performing agencies had earned, planned for and expected.

This decision, arrived at without any prior consultation, has serious implications for many of our members and the tens of thousands of low-income seniors, disabled persons and families they serve. According to HUD's most recent data, there are over 1,420 high performing agencies, almost 46 percent of all housing authorities. The dedicated and hard working professionals in these agencies manage about 42 percent of the nation's public housing stock. Already suffering from deep operating fund prorations and flatlined capital funding, these particular agencies anticipated receiving a bonus and have planned for the use of bonuses in their Annual Plans and Capital Investment Plans. Anticipated bonuses reported to us range from \$20,000 for small agencies, \$250,000 to \$300,000 for larger agencies, and millions of dollars for some of the largest housing authorities in the country. For each high performer, these bonuses make a significant contribution to their capital budget. Now, with less than half of calendar year 2007 remaining, HUD has notified them that these needed funds will vanish. Their residents will be left to suffer the consequences.

In our view, the 1937 Housing Act requires recognition of high performing agencies in Capital Fund awards. Specifically, Sec. 9(d)(2) states that the capital formula "shall include a mechanism to reward performance." We do not believe HUD has the discretion to ignore this statutory requirement, and we certainly believe that HUD's action subverts congressional intent. We do not believe that regulatory language governing the Capital Fund bonus developed through negotiated rulemaking supports Assistant Secretary Cabrera's assertion that the bonus is

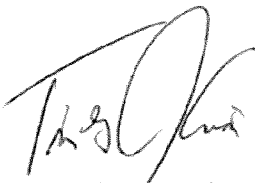
discretionary. Regulatory language that high performing agencies can receive a bonus does not lift the statute's requirement that HUD shall reward high performing agencies.

Further, HUD's practice over the past 5 years contradicts the Assistant Secretary's argument. Last year, faced with a similar dilemma, the Department withheld a proportion of the Capital Fund appropriation until it was able to assign PHAS scores and distribute bonuses without withholding every Capital Fund distribution. HUD found that solution a legitimate alternative last year, and it seems appropriate to the current situation. Why not therefore use the same approach this year?


Finally, we would like more information because the July 27 letter is not entirely clear. The correspondence does not state what HUD intends to do with funds that would otherwise be distributed as bonuses. The groups firmly believe this money must be distributed to housing agencies through the capital fund process.

The Department's failure to manage PHAS is not acceptable grounds for HUD abandoning its responsibility to reward high performing housing authorities through Capital Fund bonus awards. Moreover, HUD's decision eliminates incentives for good performance and penalizes residents in well-run agencies. Our associations strongly believe that Capital Fund allocations, including bonus awards to high performing agencies, should be properly distributed as quickly as possible. To further that aim, we offer whatever assistance we have available and would be willing to meet with you, Assistant Secretary Cabrera, or with any other decision-making staff to rectify this problem as rapidly as possible. Thank you for your attention to this important matter.


Sincerely,



Timothy G. Kaiser
PHADA



Sunia Zatterman
CLPHA



Saul N. Ramirez, Jr.
NAHRO

cc: Hon. Orlando Cabrera
Members of the U.S. House and Senate
HUD Appropriations and Authorization Committees

DAILY BREEZE
August 15, 2007

L.A. council committee considers emergency loans for homeowners

By Rick Orlov
STAFF WRITER

With a growing number of homeowners facing potential foreclosure in a slowing housing market, Los Angeles officials agreed Tuesday to study creating a special emergency loan fund.

As part of the move, the City Council's Housing, Community and Economic Development Committee also said it wants to find \$100,000 to help pay for a second effort by Operation Hope to educate and help at-risk homeowners.

But reluctant to follow a proposal by

Councilman Richard Alarcón to tap into the city's Affordable Housing Trust Fund, the panel said it instead wants to review whether to develop guidelines and look for other sources of funding.

"We have spent a long time building this fund up and I think it would be shortsighted to take money from it now," council President Eric Garcetti said. "It is the ultimate case of borrowing from one fund to pay off another."

Alarcón, however, said the \$100 million Affordable Housing Trust Fund seemed a logical source of funding for his proposal.

He had proposed taking \$5 million from the fund for the effort.

"We have people losing their homes and that creates other problems," Alarcón said. "If people lose their homes, they will be turning to the government for help. Rather than have people go into poverty, we should try to help them."

Alarcón's proposal called for making low-interest loans of up to \$10,000 each to help people caught in the bind resulting from subprime mortgages and a drop in the housing market.

Councilman Herb Wesson, who chairs

the committee, asked for a report on other potential sources of funding for the proposal while guidelines and procedures are developed.

Alarcón said his concern is that any delay could mean families are evicted from their homes.

"The fact of the matter is that we will not be able to help everyone, but we might make a difference for 5 percent of the people out there," Alarcón said.

He also noted the Los Angeles Neighborhood Housing Services organization has offered \$2 million for the effort.

Garcetti said the city can help with the Operation Hope effort, launched in April. It provides information to homeowners.

Under the program — available by calling 888-388-HOPE — homeowners get information on how to negotiate with lenders, apply for loan modifications and avoid foreclosures.

Garcetti said public services announcements have been prepared and an additional \$400,000 is expected to be made available from financial institutions.

rick.orlov@dailypress.com

8/15/07

NAHRO Comments on Voucher Homeownership Rule

NAHRO has filed a comment letter in support of most aspects of a proposed rule that would permit the use of voucher homeownership assistance for the purchase of units not yet under construction at the time the family contracts to purchase the home. Current voucher homeownership regulations require an eligible unit to be either an existing unit or a unit under construction at the time the family enters into the contract. NAHRO believes this may exclude prospective purchasers from certain homeownership opportunities.

Including pre-construction units among the eligible dwellings could expand the housing choices available to families in the voucher homeownership program; allow voucher-assisted individuals with disabilities to make design changes for accessibility while homes are being built; better enable voucher-assisted households to lease in communities where significant job growth and job opportunities exist; enable voucher-assisted households to use the program in combination with mutual self-help or other sweat-equity programs; provide greater assurances that major repairs will be unnecessary; and enable voucher-assisted households to access homeownership units not yet under construction but required to be constructed as part of inclusionary zoning laws.

NAHRO did raise concerns about the environmental review process and related contractual requirements. NAHRO suggested that requirements affecting builders be imposed with caution in order to avoid prejudicing the ability of voucher-assisted households to compete in the homeownership marketplace.

NAHRO's comment letter can be accessed at
www.nahro.org/members/news/2007/vouch_own_cmmt.pdf

8/16/07

CLPHA Alert

Proposed Rule on Income and Rent Determination Requirements

As we reported earlier (CLPHA Weekly Report, June 25, 2007), HUD has issued a proposed rule dealing with income and rent determination requirements for public housing and the Housing Choice Voucher programs -

<http://a257.g.akamaitech.net/7/257/2422/01jan20071800/edocket.access.gpo.gov/2007/pdf/E7-11531.pdf>. The proposed rule includes stricter verification requirements for social security numbers; it also changes the definition of annual income to income from the previous 12-months instead of the coming 12-months.

Comments are due August 20, 2007, and may be submitted electronically. Attached are CLPHA's comments.

Please contact Tara O'Neill, toneill@clpha.org, with any questions.

Attachment

August 16, 2007

Office of General Counsel
Rules Docket Clerk
Department of Housing and Urban Development
451 Seventh St., Room 10276
Washington, DC 20410-0001

Re: Docket No. FR-4998-P-01
Refinement of Income and Rent Determination Requirements in Public and Assisted
Housing Programs; Proposed Rule

Dear Rules Docket Clerk:

Thank you for the opportunity to provide comments on the proposed rule regarding income and rent determination requirements. The Council of Large Public Housing Authorities (CLPHA) is a non-profit organization representing about 60 large public housing authorities (PHAs) that own and manage 40 percent of the nation's public housing and administer over 30 percent of the Section 8 tenant-based assistance program. All CLPHA members will be impacted by changes to the income and rent rules. On behalf of our members, CLPHA offers the following comments.

The proposed rule would make changes to 24 CFR Parts 5, 92, and 908. These parts apply to public housing, the Housing Choice Voucher program, HUD multifamily housing programs, and the HOME program. The comments below address only how the proposed changes would impact public housing authorities. There may be instances where the proposed rule would affect housing authorities and multifamily housing managers differently. In those cases, CLPHA would support creating different rules for housing authorities than for private housing managers.

Proposed §5.216

One of the proposed changes to this section would require that all applicants and participants provide a social security number (SSN). This would eliminate the existing exemption for children under 6 years of age. Currently, SSN are not required for family members under 6.

CLPHA does not support this proposed change and recommends retaining the existing exemption for children under 6 years of age. There is no clear public benefit to collecting SSN for very young children. However, there are likely negative consequences for applicants, participants, and housing authorities.

Requiring SSN (and documentation) for children under 6 will likely result in delays to processing applications where applicants are unable to provide documentation of SSN for very young children. Furthermore, since this change would apply to current participants as well as new applicants, it would increase the administrative burden for housing authorities. There are approximately 1 million children under 6 currently living in public housing or voucher households. The proposed change would require housing authorities to collect and verify the SSN of all of these children at the families' next reexamination. Verifying all of these SSN in a short period of time will increase the work that housing authorities must do to recertify existing residents with no clear purpose.

Another change to this section would require that all applicants and participants present a social security card to the housing authority. This change would eliminate the option of certification for applicants or participants who cannot meet the documentation requirement. Currently, an applicant or participant who cannot provide the required documentation is allowed to provide a SSN and submit a certification document in lieu of a Social Security card.

CLPHA does not support this change and recommends retaining the current policy with respect to certification. Methods for validating SSN of applicants and participants already exist and verification will be further built into the process as housing authorities switch to Upfront Income Verification (UIV). Through the use of HUD's Enterprise Income Verification (EIV) system or matching agreements with government or private agencies, social security numbers will automatically be checked against larger databases. Using existing governmental systems is a reliable method of validating SSN that will not result in duplicative work for housing authorities.

Furthermore, extending the requirement that housing authorities see a social security card for all existing participants at the next reexamination will place an unnecessary administrative burden on housing authorities. Currently, there are over 7 million public housing residents and voucher holders. Requiring all existing residents to present a social security card will likely result in administrative difficulties for residents and housing authorities.

Proposed §5.218

The proposed changes to this section clarify the penalties for falling to provide the required documentation for SSN. This section would make it clear that housing

authorities must prorate assistance for existing participants when a member of the household fails to meet the documentation and verification requirements. However, this section is silent on whether new applicants in the same situation would be eligible to receive prorated assistance.

CLPHA believes that subsections (a) and (b) of this section should be clarified with respect to possible proration of assistance.

Proposed §5.233

The proposed changes in this section would require all housing authorities to use upfront income verification (UIV). PHAs would be able to use HUD systems or submit “direct computer matching agreements with a federal, state, or local government agency or a private agency.”

CLPHA supports this proposed change. UIV, through HUD’s EIV system or a similar system, will be a more streamlined process than third-party verification. CLPHA believes that UIV has the potential to reduce the time and energy housing authorities and residents must spend on income verification and, at the same time, increase the accuracy of income reporting.

Proposed §5.508

The proposed changes in this section would require housing authorities to see evidence of citizenship or legal status for all applicants or participants. Applicants or participants would be required to present “a U.S. passport, U.S. birth certificate, Social Security card, Alien Registration card, Employment Authorization card, Temporary Resident card, or other documentation...” Currently, applicants and participants must submit only a signed declaration of U.S. citizenship or legal status, and PHAs *may* request verification by requiring presentation of further documentation.

CLPHA does not support this proposed change and recommends retaining the current language. This change would result in duplicative work for housing authorities. Currently, applicants and participants must provide SSN (except for young children). As all housing authorities move to UIV, these SSN will be validated against other government computer systems. Requiring housing authorities to view the documents listed in this section is not necessary in light of the requirements related to social security numbers.

Proposed §5.609

The proposed changes in this section would define annual income as amounts “received...during the 12-month period prior to admission or the annual reexamination effective date.” Currently, annual income is defined as anticipated income during the coming 12-month period.

CLPHA supports the change to the definition of annual income. Using verified income over the previous 12-months is a much more straightforward method to determine rent. Furthermore, since the proposed rule requires housing authorities to account for possible changes to a family's income (see below), this method should not result in significant underpayment or overpayment on the part of residents.

The proposed changes to this section would also add language requiring a housing authority to use the most recent income data (as opposed to data from the previous 12-months) when the housing authority believes that the most recent data documents a change to the family's annual income.

CLPHA believes that the language related to the most recent income data should be revised. PHAs should be required to annualize the most recent income data and use it instead of the previous year's income only when the processing entity believes that the most recent income data documents a *material or substantial* change to the family's income. This change would eliminate the need to project income data over the next year in cases where a family's income has changed only a small amount.

Thank you for the opportunity to comment on this proposed rule.

Sincerely,

A handwritten signature in cursive script, reading "Sunia Zatterman".

Sunia Zatterman
Executive Director

Housing Remains at Crisis Stage in Los Angeles County

Written by MARIANNE LOVE

Affordable Housing Isn't Affordable Enough for Local Seniors

"The rent is just too damn high. We only get so much every month and we also have to pay for food, insurance for our car, prescriptions from our doctor - there's just nothing left."

Fernando Gasca

Seniors on fixed incomes are finding it increasingly difficult to cover the rising cost of rent. Unable to supplement their income, many seniors are forced to turn to their children to help fill the financial gap. The cost of housing, even housing developed as "affordable" coupled with rising health care costs can wipe out most of their monthly income. This is the plight described recently by local seniors speaking before the San Fernando City Council. While city, county, state and federal agencies set guidelines for affordable housing rents, many people still find them beyond their reach. In the city of San Fernando, a dozen or so seniors complained at an Aug. 6 City Council meeting that their rents were recently raised and it was tough on their pocketbooks.

And, they say the three senior affordable housing developments built within the last year have become too expensive at \$668 to \$807 for a one-bedroom unit, especially for those on \$700 fixed, monthly social security.

"I think it's ridiculous. I had planned to live here until the day I died, but now I won't be able to stay here very long," said Irma Perez, 71, who lives at The Kalisher, one of the affordable senior living developments in the city of San Fernando, where rents were recently raised. She said she receives \$703 in Social Security and \$290 from her widow's pension a month. Her rent was recently raised to \$668. "By this time next year I probably won't be here. I'll be living with my children or in a rest home. I don't want to go to a rest home," she said. Perez said she will apply for Section 8 housing assistance if she qualifies, in an effort to remain at her current apartment.

Adriana Gomez, development property manager of The Kalisher and two other senior complexes in San Fernando, said the property owner is charging March 2006 rates. "The rent is just too damn high. We only get so much every month and we also have to pay for food, insurance for our car, prescriptions from our doctor - there's just nothing left," said Fernando Gasca, 80. He lived for 15 years at an affordable senior complex in Sylmar where he paid \$460 a month before moving to the newly built The Kalisher complex last year. He was surprised when the rent was raised \$37 recently. "Already three people have left on account of the rent. Where am I going to go? I should have stayed where I was in Sylmar" he said.

"What I want to know is if each time we sign the lease every year, if the rent will be higher?" asked Alfredo Vivanco, 71, one of the senior citizens who showed up at City Hall last Monday. "If they do, what am I going to do? You tell me. Probably move out. It doesn't make sense. This is supposed to be for low income senior citizens and by raising the rent they are pushing us out."

The San Fernando City Council Standing Committee on Affordable Housing, which includes council members Jose Hernandez and Nury Martinez met on Aug. 10 and are expected to ask San Fernando Senior Housing LP, the developer of 101 Park Ave., to provide financial information on the overall project.

The committee also wants a letter sent to the seniors advising them about the city's role and investment in the development of these senior housing projects and to bring the matter back to the full City Council on Monday.

In April 2007, a housing consultant hired by the San Fernando City Council began holding community workshops to illicit information from the public on housing issues.

Residents said there was a significant need for additional affordable rental housing especially for seniors. The report also indicated that the city couldn't attract new residents such as teachers, firefighters and police officers, because of low-test scores at the local schools and household overcrowding.

The city, which has a "no tolerance policy" toward garage conversions, has several housing programs that address affordable housing.

Several new programs, such as housemate matching, are expected to reach the City Council in the near future.

City leaders have implemented a "smart-growth" land-use plan, such as designating land for new homes scattered throughout the town, housing-over-retail developments and stepping up the use of existing programs that assist in the provision of affordable housing in the community.

City administrators describe San Fernando's policy is to promote the rehabilitation of substandard and deteriorating housing and focus on code enforcement in targeted neighborhoods to achieve substantive neighborhood improvements.

Between 2005 and 2010, the City Council planned to amass \$7.4 million in low- and moderate-income housing funds, according to its housing component of the San Fernando Redevelopment Agency.

The Agency, which consists of the five sitting council members, assisted in the development of 96 units of affordable senior housing, residential rehabilitation, homebuyer assistance and relocation assistance/construction of two affordable units.

It spent \$2.2 million in senior housing projects at Las Palmas, where 39 very-low and six low-income rental units were built at 333 and 451 S. Kalisher St. and 11 very-low and 40 low-income rental units were built at 101 Park Ave.

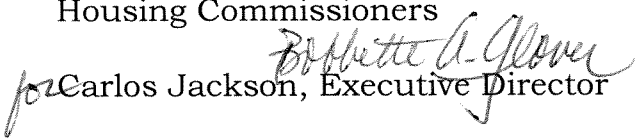
Not only seniors are struggling, many younger renters find they can't afford average rents, which in Los Angeles County is between \$1,200 and \$1,300. While to a working professional that cost is manageable, a minimum wage worker would have to work an impossible 130 hours per week to be able to afford that amount. The high cost of rent has forced people to share housing at times with more than one family squeezed into an apartment. These rental arrangements have increased density and parking problems in neighborhoods.

Homeownership is also becoming increasingly difficult.

Housing Authority - County of Los Angeles

August 22, 2007

To: Housing Commissioners

From:  Carlos Jackson, Executive Director

**SUBJECT: CONCURRENCE OF BOARD OF SUPERVISORS/
COMMISSIONERS ACTION ON THE HOUSING AUTHORITY
CORRECTIVE ACTION PLAN FOR THE HOUSING CHOICE
VOUCHER (SECTION 8) PROGRAM**

Supervisor Knabe's motion (Attachment 1) appeared on the August 14, 2007 Board of Supervisors/Commissioners supplemental agenda. The motion recognizes the significant management improvements made by the Housing Authority in an effort to remove the "troubled" designation. The Housing Authority's internal review of accomplishments through June 30, 2007 indicates that the Section Eight Management Assessment Program (SEMAP) score should be sufficient to remove the "troubled" designation from the program. Despite the significant improvements and higher SEMAP scores, HUD has indicated that there are "other things" that the Housing Authority must do to remove the "troubled" designation. Although HUD has begun to focus on the governance and oversight of the Housing Authority, they have failed to fully disclose specifics about what is needed.

Motion

Supervisor Knabe's motion recommends that the Board of Supervisors send a five-signature letter to HUD Secretary Alphonso Jackson requesting an immediate meeting with HUD to directly address their concerns and decide the additional steps that will eliminate the "troubled" designation. **The motion was adopted by the Board of Supervisors/Commissioners.**

Amendment

Supervisor Antonovich's amendment (Attachment 2) to the motion asked several questions about the Housing Authority's "troubled" designation and the status of the Corrective Action Plan. The Executive Director was directed to report back to the Board of Commissioners at its August 21st meeting. **The amendment was adopted by the Board of Supervisors/Commissioners.**

The motion and the amendment are before you for your concurrence.

CJ:BG
Attachments

SYN. NO. _____

AGN. NO. 46-CMOTION BY SUPERVISORS ZEV YAROSLAVSKY AND
DON KNABE

August 14, 2007

In October of 2006, the County's Section 8 Program was designated "troubled" by the United States Department of Housing and Urban Development ("HUD") because it received only 73 out of a possible 145 points on HUD's annual rating system. —

The Section 8 program is of vital importance to this Board's efforts to secure safe and decent housing for County residents and this unsatisfactory level of performance was, and is, deeply concerning. Fortunately, this is the first time that the County's Section 8 program has been designated "troubled" and the Housing Authority and the Board of Supervisors has responded quickly to solve the identified problems. Specific improvements include:

- Reorganization of the Section 8 Management Team;
- Contracting with experts to help reform business practices, provide additional quality control, and assist with staff training;
- Acquiring a new software system to achieve efficient and accurate processing of voucher applications;
- Utilizing added housing locator services to help participants find homes; and,

MOTION

MOLINA _____

BURKE _____

KNABE _____

ANTONOVICH _____

YAROSLAVSKY _____

- Enhanced oversight and interaction between Housing Authority management and the Board of Supervisors.

As a result of these concentrated efforts, the Housing Authority's internal review indicates that the Program's projected score for the current year should be sufficient to remove its "troubled" designation.

However, HUD's recent communications to the Housing Authority indicate that they continue to have questions about the Section 8 program, particularly in the area of governance and oversight of the Housing Authority, and may wish to impose additional corrective actions on the Program. While we look forward to establishing a cooperative relationship with HUD, it is critical that decision makers at that federal agency work directly with this Board prior to reaching any final conclusions about the adequacy of the Housing Authority's governance mechanisms and before deciding what, if any, additional steps need to be taken to improve the Program's performance.

WE, THEREFORE, MOVE that the Board of Supervisors send a five-signature letter to HUD Secretary Alphonso Jackson requesting an immediate meeting between HUD decision makers and the Board of Supervisors or its representatives to directly address HUD's concerns and mutually decide what, if any, additional steps should be taken to enable the Section 8 Program to eliminate its "troubled" designation and ultimately achieve the highest possible level of performance.

BS S:\Motions\HUD letter

AGN. NO. 46-C

MOTION BY SUPERVISOR MICHAEL D. ANTONOVICH

AUGUST 14, 2007

Amendment to Item 46-C

Due to the "troubled" designation of the Housing Authority of the County of Los Angeles (HACOLA) Section 8 Program, the United States Department of Housing and Urban Development ("HUD") has assigned a HUD advisor. Scheduled to begin work on August 22, 2007, the advisor's duties include: implementation of new management plans or changes to existing plans; carry out items contained in the corrective action plan; oversee general financial management functions pertaining to budgeting and applying for HUD funds.

I, THEREFORE, MOVE that the Board of Commissioners of the HACOLA direct the Executive Director to report at the August 21st Board meeting concerning the following items:

1. Why has the Housing Authority staff been unable to complete negotiations with HUD, and what are your objections to the Corrective Action Plan?
2. Did staff confirm with HUD officials what steps are required to remove the "troubled" designation?
3. Why did staff wait until early August to inform the Board of Commissioners about the HUD advisor?
4. Of the roughly 3,400 housing authorities in the country, how many have the "troubled" designation, and how many has HUD assigned an advisor?

#

MDA:pno

MOTION

MOLINA	_____
BURKE	_____
KNABE	_____
ANTONOVICH	_____
YAROSLAVSKY	_____

Housing Authority - County of Los Angeles

August 22, 2007

TO: Housing Commissioners

FROM:  Carlos Jackson, Executive Director 

**SUBJECT: CONCURRENCE OF BOARD OF SUPERVISORS/
COMMISSIONERS ACTION AUTHORIZING SIGNING OF THE
HOUSING AUTHORITY CORRECTIVE ACTION PLAN FOR
THE HOUSING CHOICE VOUCHER (SECTION 8) PROGRAM**

Supervisor Burke's motion (Attachment 1) will appear on the Board of Supervisors/Commissioner's supplemental agenda on August 21, 2007. It authorizes the Chair of the Board and the Housing Authority's Executive Director to sign the Corrective Action Plan (CAP) for the Section 8 Program.

We are moving forward with the implementation of the CAP, which is attached in substantially final form (Attachment 2). The CAP sets out the goals, specific strategies, and target dates to improve management of the Section 8 program. Specific goals focus on the following: governance, organization and staffing, finance, procurement, management information systems, program management, and SEMAP indicators. Much of the input for the CAP was provided by Housing Authority staff, based on tasks already successfully completed. Other tasks are underway and will be completed in the near future. The times frames outlined in the CAP are currently being negotiated with HUD, and several of them are likely to change.

CAP implementation will include the assignment of a HUD advisor to assist the Housing Authority in areas to be specified by the Executive Director (Attachment 3). The advisor is both contracted and paid for by HUD.

You are being asked to concur with the anticipated adoption of this motion.

Attachment

AGN. NO. _____

MOTION BY SUPERVISOR BURKE

August 21, 2007

The Housing Authority of the County of Los Angeles (Housing Authority) administers the Housing Choice Voucher (Section 8) Program, which provides rental assistance vouchers to qualified low- and moderate-income families.

On October 31, 2006, the Housing Authority received notification from the U.S. Department of Housing and Urban Development (HUD) that its Section 8 Program received a "troubled" designation for Fiscal Year 2005-2006 as a result of HUD's annual assessment of its Section 8 Program.

As part of the process for moving from a "troubled" to a "standard" Section 8 Program, HUD is requiring the Housing Authority to implement a Corrective Action Plan (CAP) to address program management deficiencies or findings identified by HUD.

HUD has written and submitted the CAP to the County of Los Angeles for approval. Both the Chairman of the Housing Authority's Board of Commissioners and the Executive Director of the Housing Authority must sign the CAP. Failure to implement the CAP may result in a default of the Annual Contributions Contract between the Housing Authority and HUD.

This matter will be presented to the Housing Commission for concurrence at its next meeting.

I, THEREFORE, MOVE THAT THE BOARD OF COMMISSIONERS OF THE COUNTY OF LOS ANGELES:

1. Find that approval of the Corrective Action Plan for the Section 8 program is not subject to the provisions of the California Environmental Quality Act (CEQA), because the activity does not have the potential for causing a significant effect on the environment.
2. Approve, and authorize the Chair to sign, the CAP, which is attached in substantially final form, for submission to HUD.
3. Authorize the Executive Director of the Housing Authority to sign the CAP and take all actions required for its implementation.

MOTION

Molina _____

Burke _____

Knabe _____

Antonovich _____

Yaroslavsky _____

HOUSING CHOICE VOUCHER PROGRAM

CORRECTIVE ACTION PLAN

AN AGREEMENT BETWEEN
THE HOUSING AUTHORITY OF
THE COUNTY OF LOS ANGELES
AND
THE U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT



SIGNATURES

The Housing Authority of the County of Los Angeles (HACoLA) is a public body corporate and politic, duly created and organized pursuant to and in accordance with the provisions of the laws of the State of California. In addition, it is organized for the United States of America, pursuant to the United States Housing Act of 1937, as amended (42 U. S. C. 1401, et seq.), acting by and through the Secretary of the Department of Housing and Urban Development (HUD). Both the Agency and HUD recognize that HA has been designated "troubled" pursuant to 24 CFR 985.101 (b). HUD and HA further agree that HA shall perform the activities listed in the Corrective Action Plan, attached and incorporated by reference, in order to satisfy HA's obligations under 24 CFR 985.107 (c).

Housing Agency of the County of Los Angeles

By: _____

Date

Board Chair
Housing Authority of the County of Los Angeles

Date

By: _____

Carlos Jackson
Executive Director
Housing Authority of the County of Los Angeles

U.S. Department of Housing and Urban Development

By: _____

Date

K.J. Brockington
Acting Director
Los Angeles PH Hub Office

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MANAGEMENT AREA: GOVERNANCE

Responsible PHA Staff: Carlos Jackson

Responsible HUD Staff: Theodore W. Skonos

Governance: This area addresses the guidance and direction in planning for PHA operations provided by the Board of Commissioners and Executive Director to determine if they are effective in establishing and executing PHA policies. It also addresses the Board's compliance with Federal and State guidelines or regulations relating to the operation of the Agency and the Agency's relationships with local political entities.

Assessment Results:

- ◆ Board members, their senior staff, and volunteer advisors must improve independent knowledge of the authority's contractual obligations.
- ◆ Reporting Housing Agency performance issues is not clearly identified in Board meeting minutes.

PHA Goal: The Board of Commissioners and the Executive Director plan for future PHA operations through the 5 Year and Annual Plan process. The Board sets policy for PHA operations, and effectively monitors the Executive Director's implementation of that policy. The Agency is in compliance with Federal and State requirements such as: bylaws, official records, regular meetings, and Commissioners' appointments. The Agency asserts its rights and complies with its responsibilities under any Cooperation Agreement.

PHA Goal: Educate Board members, their senior staff, and volunteers on the Advisory Council about the authority's responsibilities and obligations to HUD, and to their role in meeting those obligations.

	Target completion date	Actual completion date
PHA Strategies:		
Discuss and settle on methods and timelines for training sessions for all three groups. Submit a summary of the results of the discussions to HUD.	8/30/07	
Identify appropriate vendors for training sessions negotiated above. Submit a list of vendors identified to HUD.	8/15/07	
Solicit and hire vendors to complete the needed training. Submit a copy of the solicitation package, a list of the offerors, summary of the final ratings and the name of the selected offeror	9/30/07	
Submit attendance lists for each of the training sessions provided.	11/30/07	
PHA Goal: Provide the Board of Commissioners with more frequent and more comprehensive reports on housing activities, particularly Housing Choice Vouchers.		
PHA Strategies:		
Revise Board packet contents to include year-to-date SEMAP scores for all of the indicators.	8/30/07	

MANAGEMENT AREA: ORGANIZATION AND STAFFING

RESPONSIBLE PHA STAFF: CARLOS JACKSON

Responsible HUD Staff: Theodore W. Skonos

Organization and Staffing: This area addresses the Agency's staffing level and the effectiveness of the organizational structure, personnel management systems or procedures, and general administrative procedures. This includes union agreements, position descriptions, performance standards and evaluation systems, employee handbooks, training plans and procedures, general office management procedures, and internal control systems.

Assessment Results:

- ◆ Staffing/organization chart has 13 openings
- ◆ Extensive reorganization and (re)training are underway
- ◆ Continuous improvement of business processes is underway

PHA Goal: The Agency maintains an adequate staff size to perform the necessary workload requirements within budget constraints. The Agency's organization structure and chart defines lines the lines of Agency. Every position within the structure has a clear and detailed position description regarding the responsibilities and duties of the job. The Agency conducts annual performance evaluations against performance standards for each position to determine effectiveness and areas of improvements. Training plans are developed each year, and funded in the budget. The Agency conducts annual evaluations of general office management procedures and internal control systems to determine the effectiveness and the need for improvements.

PHA Goal: Organize HACoLA by function rather than case management.

	Target completion date	Actual completion date
PHA Strategies:		
HACoLA Management to Realign Staff Management Positions into 3 New Units.	11/30/06	
Distributed Functions to the 3 Units within the Division: Applications & Eligibility/Inspections, Contract Maintenance, and Management Services.	11/30/06	
Develop standards and expectations for the new reorganization of three business units.	6/30/07	
Contract Maintenance department converted from a case management to a functional "specialized" operational units and reorganized into 5 teams: 2 on annual re-exams (current, delinquent), and an interims, terminations, and owner services teams.	11/30/06	
Lancaster satellite operation will be in functional units.	6/30/07	
New production standards established.	2/16/07	
A&E department was reorganized into 6 separate units with supervisors and lead personnel to manage the individual unit. These units are as follow; Intake/Eligibility Unit, Voucher Issuance Unit, Lease-Up Unit, Annual Inspection Unit, Office Support Unit and Portability Unit. After a month of assessment a change was made to separate the inspectors into the Annual Inspections Unit and Lease-Up Unit to handle New Contract inspections separately.	11/30/06	

A&E department - reorganize into 6 separate units with supervisors and lead personnel to manage the individual unit. These units are as follows: Intake/Eligibility Unit, Voucher Issuance Unit, Lease-Up Unit, Annual Inspection Unit, Office Support Unit and Portability Unit. Each unit was tasked to monitor each pertinent SEMAP indicator. Implement a system of staff performance monitoring on a weekly basis to isolate deficiencies and identify training requirements.	11/30/06	
Supervisors draft Standard Operating Procedures (SOPs) for their units. Employees use Desk SOP's as a quick reference guide for their current functions.	12/31/2006	
Division Managers maintains ongoing communication with the Board of Supervisors on performance, outcomes with external audits and reviews, and performance projections for the remainder of FY 06-07	2/28/07	
The preparation and physical space re-configuration to accommodate reorganization complete.	11/30/06	
Division Managers roll out the Re-organization plans to staff, and complete Logistical Plans.	11/30/06	
Major Transitional Initiatives in this New Assisted Housing Approach		
New Teams in Three Units begin Meeting Weekly to Manage Conversion Issues.	11/30/06	
Teams Map All Processes and Procedures to Establish Work Standards within Units. Complete mapping of the "as is" workflows.	11/30/06	
HACoLA staff complete "as is" workflows, and YARDI staff complete work on the "to-be" environment.	10/31/07	
Begin developing a business statistics reporting tool (scorecard). Initiate business process re-engineering in the Contract Maintenance department by capturing "workflows" to build the "as-is" environment.	1/31/07	
Completed implementation of the Three Focal Areas of Staffing, Procedural Changes, and Conversion	11/30/06	
Complete 1936 delinquent re-exams.	2/28/07	
Complete the remainder of delinquent re-exams (2774)	6/30/07	
Identify and implement more efficient reporting. The Scorecard, Clean-up and Reorganization Status Reports (Reports A, B, and C) are based on current and ongoing work and progress. Develop a web-based virtual tracking system to measure phone banking (tenants, owners) production and efficiency in completing the new contract process.	10/31/07	
Identify procedural changes; Begin training and review of procedural changes to ensure consistency in understanding and application across Departments.	11/30/06	
All office relocation activities complete, to accommodate the new reorganized structure.	1/831/07	
Support Systems Improvements Developed for Operational Staff		
Reviewing RFP Responses to Modify / Replace Existing Information Technology	1/31/07	
Contract is executed and work started.	4/30/07	
Validate workflow processes and reporting in preparation for system conversion.	3/31/07	
Ensure that Security Protocols Are Fully Considered in the Implementation of the New System.	4/30/07	

Initiate Business Stat Scorecard Reporting at weekly Management Meetings.	1/31/07	
Develop a Data Clean-up Report (Report B) that established baseline measures and weekly production that aims to align ECS data with PIC.	1/31/07	
Create and fill a position - Manager for Administrative Services - to link Housing program operations issues with CDC administrative support.	11/30/06	
Import best practices, some with modifications, using consultant support, to existing operations or operational plans.	11/30/07	
Complete plans for developing a Call Center. Bronner Consultants, working with HACoLA, establish broad parameters of desired system and HACoLA current system.	6/30/07	
Establish a Quality Control Process and Procedure for each Department.	4/30/07	
Develop new templates for Performance Plans that include new goals and objectives - reflecting functional structure. Individual plans reflect steps identified in expanded scorecard.	3/31/07	
<u>Staff Training</u>		
Complete the identification of training needs and develop a training strategy.	12/31/07	
Division Management execute a contract and complete technical and regulatory training for staff.	1/31/07	
Ensure access to appropriate resources to provide a follow-up refresher training and testing during.	3/31/07	
Establish staff training coordinator position and fill; function is organizing training units within each department, and to develop ongoing in-house training for new and current employees.	11/30/06	
Using staff feedback, the training coordinator will begin to incorporate case studies to review with teams, and learn collectively how to perform reviews thoroughly, while reducing errors.	11/30/06	
HACoLA Managers begin support for the "train-the trainer" approach to training. These sessions should help staff adapt to the new performance driven "Business Stat Reporting" environment.	11/30/06	
Training coordinator engage professional trainers to assist with Division trainers on the preparation and delivery of presentations.	11/30/07	
Each Unit's Management to customize scorecard report for their particular unit	2/28/07	
Train 136 employees by contractor, organized around training sessions scheduled from 12/06 through 2/07.	2/28/07	
Human Resources Department completes supervisory training to new supervisors and managers.	7/31/07	

MANAGEMENT AREA: FINANCE

RESPONSIBLE PHA STAFF: CARLOS JACKSON

Responsible HUD Staff: Theodore W. Skonos

Finance: This area addresses the comprehensive financial management system the Housing Agency has in place for its Section 8 rental program(s) that monitor and control finances in order to maximize available resources. It identifies the financial record keeping and management requirements for the Housing Choice Voucher program (and other Section 8 programs as applicable) as required by the Annual Contributions Contracts (ACCs). This includes accurate and timely submissions of budgets, requisitions, year-end settlements, correct computations of administrative fees earned, revisions of budgets and requisitions timed with the fluctuations of annual budget Agency usage, and unit lease-up. PHAs are given a significant degree of flexibility in managing the financial resources made available for the Section 8 rental Program(s). It requires the Agency be actively involved in designing the financial management structure of its program.

Assessment Results:

- ◆ There were two depository agreements not on the prescribed form HUD-51999, General Depository Agreement.
- ◆ We found no evidence that a written internal control policy has been formulated
- ◆ HACoLA provided the schedule of coverage for the insurance as required.
- ◆ HACoLA has very detailed procedures for maintaining and issuing checks for various purposes.

PHA Goal: The Housing Agency staff shall maintain books of accounts, and records in an auditable condition. The funds received are disbursed in compliance with the guidelines that HUD establishes for entities that receive federal funding. Budgets, requisitions, and other required reporting are submitted timely, and to ensure that Internal Control systems are in place. This would include developing methods to track annual budget Agency usage and unit lease up. The PHA is required to make monthly payments to landlords, families and/or both, as long as they continue to meet program requirements. The ACC identifies the financial record keeping and financial management requirements for Section 8 Rental Programs. Administrative funds held in reserve are subject to the requirements of 24 CFR 982.155.

PHA Goal: Execute Depository Agreements with banks on HUD form.

	Target completion date	Actual completion date
PHA Strategies:		
Execute Depository Agreements with banks on HUD form.	7/31/07	
PHA Goal: Develop and adopt written internal control policy.		
Draft a policy that reflects current procedures; determine if any improvements seem advantageous.	8/31/07	
Adopt the new, written policy.	10/31/07	
Train appropriate staff on any changes to policy or procedures.	11/30/07	

MANAGEMENT AREA: PROCUREMENT

RESPONSIBLE PHA STAFF: CARLOS JACKSON

Responsible HUD Staff: Theodore W. Skonos

Procurement: This area addresses the Agency's compliance with the procurement regulations and HUD Handbook 7460.8

Assessment Results:

- ◆ Procurement policy follows HUD's HB7460.8 for procurement.

PHA Goal: Maintain level of effort for procurement.

	Target completion date	Actual completion date
PHA Strategies:		
Maintain the current level of effort in competitive procurement for HACoLA.	6/30/07	

MANAGEMENT AREA: MIS

RESPONSIBLE PHA STAFF: CARLOS JACKSON

Responsible HUD Staff: Theodore W. Skonos

MIS: This area addresses the capacity of the Agency's Management Information Systems (e.g. computer system, telecommunications, fax, internet connectivity) to comply with HUD's reporting requirements, effectively organize data, and maintain adequate security of sensitive records. This area also addresses the need for future improvements or upgrades in order to maintain an adequate system.

Assessment Results:

- ◆ HACoLA was in the middle of procuring a new, integrated public housing software package when we were on-site.

PHA Goal: The PHA maintains a computer system (hardware and software) that will provide the necessary support of the PHA's program and that will comply with HUD's reporting requirements. The PHA has the capacity for accessing required HUD systems and providing data/reports in an electronic format when required. The PHA has the necessary equipment, software, and a staff trained to make effective use of available systems in order to manage the Section 8 Program effectively. The Agency existing equipment is adequate to meet their needs for the next 3-5 years, or there is a plan in place to acquire the necessary upgrades or equipment.

PHA Goal: Complete the acquisition of ,and transition to, a new software package.

	Target completion date	Actual completion date
PHA Strategies:		
Advise HUD when the contract for acquisition is executed.	5/31/07	
Provide HUD with copies of monthly progress reports on the installation and transition to the new software.	6/30/07	

MANAGEMENT AREA: PROGRAM MANAGEMENT

RESPONSIBLE PHA STAFF: CARLOS JACKSON

Responsible HUD Staff: Theodore W. Skonos

Program Management: This area addresses the effectiveness of the overall management of the Agency's Section 8 programs. This includes the Agency's Administrative Plan and related procedures, the level of service provided to customers, and the effectiveness of the Agency's use of staff and equipment resources.

Assessment Results:

- ◆ Staff and management are working very hard to catch up with overdue re-examinations and inspections.
- ◆ The authority makes judicious use of its in-house resources to address its legacy of problems with late tasks. In addition, the Agency has the resources to rectify systemic problems with training.
- ◆ Monthly reports on SEMAP indicators weren't made under the previous department head.

PHA Goal: The Administrative Plan and related procedures meet current regulatory and legal requirements and reflect the industry's best practices, as tailored to meet the needs of the community. A high level of service is provided to customers, both program participants and owners/agents. The Agency ensures that there are sufficient workers and equipment resources, within the constraints of the budget, and that they are used to support an effective, efficient program.

PHA Goal: Eliminate backlog in reexaminations and inspections.

PHA Strategies:

Begin providing HUD monthly progress reports from the Statistics report with comparisons between ECS, PIC/MTCS, (and new software database)..

Target completion date	Actual completion date
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8/30/07	
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INDICATOR 1: SELECTION FROM THE WAITING LIST

PHA Fiscal Year	Indicator Score	Confirmed Score	Indicator Goal	Responsible PHA Staff	Responsible HUD Staff
6/30/06	15	15	15		Theodore W. Skonos

This indicator measures whether the HA has written policies in its administrative plan for selecting applicants from the waiting list and whether the HA follows these policies when selecting applicants for admission from the waiting list. (24 CFR 982.54(d)(1) and 982.204(a))

Possible Scores: 15 points or 0 points

Assessment Results:

- HACoLA correctly identified the quality control universe, and sample size.
- There was no written policy methodology for randomly selecting the samples.

PHA Goal: Based on randomly selected samples of applicants and admissions, documentation shall shows that at least **98 percent** of the families in the samples of applicants and admissions were selected from the waiting list for admission in accordance with these policies and met the selection criteria that determined their places on the waiting list and their order of selection.

	Target completion date	Actual completion date
PHA Strategies:		
Ensure quality control samples are randomly selected in an unbiased manner.	7/31/07	
Develop a written procedure for making random selections from the waiting list. Submit the draft to HUD for comment.	7/31/07	
Train appropriate staff on the new procedure	8/31/07	
Develop a method, and maintain supporting documentation for making a random sample.	9/30/07	

INDICATOR 2: RENT REASONABLENESS

PHA Fiscal Year	Indicator Score	Confirmed Score	Indicator Goal	Responsible PHA Staff	Responsible HUD Staff
6/30/06	20	20	20		Theodore W. Skonos
<p>The PHA has and implements a reasonable written method to determine and document for each unit leased that the rent to owner is reasonable based on current rents for comparable unassisted units: at the time of initial leasing; if there is any increase in the rent to owner; and at the HAP contract anniversary if there is a 5 percent decrease in the published fair market rent (FMR) in effect 60 days before the HAP contract anniversary. The PHA's method must take into consideration the location, size, type, quality and age of the units, and the amenities, housing services, and maintenance and utilities provided by the owners in determining comparability and the reasonable rent. (24 CFR 982.4, 24 CFR 982.54(d)(15), 982.158(f)(7) and 982.507)</p> <p style="text-align: right;">Possible Scores: 20 points, 15 points, 0 points</p>					
<p>Assessment Results:</p> <ul style="list-style-type: none"> • HACoLA has a written method, which staff understand. • Rent-Elect provides the authority with recent comparable units for the entire county. • HUD staff found their documentation to be in support of their stated methodology. 					
<p>PHA Goal: The PHA has a reasonable written method to determine reasonable rent which considers location, size, type, quality and age of the units and the amenities, housing services, and maintenance and utilities provided by the owners; and based on the PHA's quality control sample of tenant files, the PHA follows its written method to determine reasonable rent and has documented its determination that the rent to owner is reasonable in accordance with Sec. 982.507 for at least 98 percent of units sampled at the time of initial leasing, if there is any increase in the rent to owner and, at the HAP contract anniversary if there is a 5 percent decrease in the published FMR in effect 60 days before the HAP contract anniversary.</p>					
PHA Strategies:				Target completion date	Actual completion date
				Maintain the authority's current level of effort on rent reasonableness.	6/30/07

INDICATOR 3: DETERMINATION OF ADJUSTED INCOME

PHA Fiscal Year	Indicator Score	Confirmed Score	Indicator Goal	Responsible PHA Staff	Responsible HUD Staff
6/30/06	0	0	15		Theodore W. Skonos

At the time of admission and annual reexamination, the PHA verifies and correctly determines adjusted annual income for each assisted family and, where the family is responsible for utilities under the lease, the PHA uses the appropriate utility allowances for the unit leased in determining the gross rent. (24 CFR part 5, subpart F and 24 CFR 982.516)

Possible Scores: 20 points, 15 points, 0 points

Assessment Results:

- The QC sample is generated via computer in an unbiased manner.
- Numerous files were unauditable due to no current reexamination.
- The authority's QC sample of the auditor's sample is smaller than HUD's minimum sample size.

PHA Goal: Based on the PHA's quality control sample of tenant files, for at least 90 percent of families: (A) The PHA obtains third party verification of reported family annual income, the value of assets totaling more than \$5,000, expenses related to deductions from annual income, and other factors that affect the determination of adjusted income, and uses the verified information in determining adjusted income, and/or documents tenant files to show why third party verification was not available; (B) The PHA properly attributes and calculates allowances for any medical, child care, and/or disability assistance expenses; and (C) The PHA uses the appropriate utility allowances to determine gross rent for the unit leased.

	Target completion date	Actual completion date
PHA Strategies:		
Sample files earlier and at a pace that will match or exceed the HUD minimum.	8/30/07	
Report monthly on the QC review results to HUD and the Board.	8/30/07	
Address systemic problems identified with QC with additional training, or another appropriate tool (mentoring,.	8/30/07	
Compare ECS calculations with the new system's calculations. Where they differ, determine which is correct from file documentation.	8/30/07	
Us the more accurate system for up-loading data to PIC/MTCS.	8/30/07	

INDICATOR 4: UTILITY ALLOWANCE SCHEDULE

PHA Fiscal Year	Indicator Score	Confirmed Score	Indicator Goal	Responsible PHA Staff	Responsible HUD Staff
6/30/06	5	5	5		Theodore W. Skonos
The PHA maintains an up-to-date utility allowance schedule. (24 CFR 982.517)					
Possible Scores: 5 points or 0 points					
Assessment Results: <ul style="list-style-type: none"> The PHA reviewed utility rate data within the last 12 months, and adjusted its utility allowance schedule if there has been a change of 10 percent or more in a utility rate since the last time the utility allowance schedule was revised. 					
PHA Goal:					
PHA Strategies:				Target completion date	Actual completion date
				Maintain the authority's current level of effort on current utility rates.	6/30/07

INDICATOR 5: HQS QUALITY CONTROL INSPECTIONS

PHA Fiscal Year	Indicator Score	Confirmed Score	Indicator Goal	Responsible PHA Staff	Responsible HUD Staff
6/30/06	5	5	5		Theodore W. Skonos

The PHA supervisor or other qualified person re-inspects a sample of units under contract during the PHA fiscal year, which meets the minimum sample size requirements specified at Sec. 985.2 under PHA's quality control sample, for quality control of HQS inspections. The PHA supervisor's re-inspected sample is to be drawn from recently completed HQS inspections (i.e., performed during the 3 months preceding reinspection) and is to be drawn to represent a cross section of neighborhoods and the work of a cross section of inspectors. (24 CFR 982.405(b))

Possible Scores: 5 points, 0 points

Assessment Results:

- A Supervisor performed quality control HQS inspections of units under contract.

PHA Goal: The PHA supervisor or other qualified person performed quality control HQS re-inspections during the PHA fiscal year for a sample of units under contract which meets the minimum sample size requirements specified in Sec. 983.2 under PHA's quality control sample. The PHA's SEMAP certification also states that the re-inspected sample was drawn from recently completed HQS inspections (i.e., performed during the 3 months preceding the quality control re-inspection) and was drawn to represent a cross section of neighborhoods and the work of a cross section of inspectors.

PHA Strategies:

Maintain the authority's current level of effort on Quality Control..

Target completion date	Actual completion date
6/30/07	

INDICATOR 6: HQS ENFORCEMENT

PHA Fiscal Year	Indicator Score	Confirmed Score	Indicator Goal	Responsible PHA Staff	Responsible HUD Staff
6/30/06	0	0	10		Theodore W. Skonos

This indicator measures whether, following each HQS inspection of a unit under contract where the unit fails to meet HQS, any cited life-threatening HQS deficiencies are corrected within 24 hours from the inspection and all other cited HQS deficiencies are corrected within no more than 30 calendar days from the inspection or any PHA-approved extension. In addition, if HQS deficiencies are not corrected timely, the indicator measures whether the PHA stops (abates) housing assistance payments beginning no later than the first of the month following the specified correction period or terminates the HAP contract or, for family-caused defects, takes prompt and vigorous action to enforce the family obligations. (24 CFR 982.404)

Possible Scores: 10 points, 0 points

Assessment Results:

- During the assessment, fifteen Tenant files were selected to review and conduct an HQS inspection of the dwelling unit. Of the units inspected, 14% of the units displayed deficiencies that would have or should have cause the units to fail the HQS inspections, and possibly disallowed the tenant or owner to participate in the Section 8 Housing Choice Voucher Program.

PHA Goal: The PHA's SEMAP certification states that the PHA's quality control sample of case files with failed HQS inspections shows that, for all cases sampled, any cited life-threatening HQS deficiencies were corrected within 24 hours from the inspection and, for at least 98 percent of cases sampled, all other cited HQS deficiencies were corrected within no more than 30 calendar days from the inspection or any PHA-approved extension, or, if any life-threatening HQS deficiencies were not corrected within 24 hours and all other HQS deficiencies were not corrected within 30 calendar days or any PHA-approved extension, the PHA stopped (abated) housing assistance payments beginning no later than the first of the month following the correction period, or took prompt and vigorous action to enforce family obligations.

	Target completion date	Actual completion date
PHA Strategies:		
Assess the communications used to identify circumstances when the authority needs to abate HAP payments or enforce family responsibilities. Submit a copy of this analysis to HUD for comment.	11/30/07	
Makes changes that will verify which checks should be issued.	1/31/08	
Implement QC sampling of failed HQS inspections for follow-up each month.	2/29/08	
Report quarterly to HUD, and the Board, about the results of the sampling.	3/31/08	

INDICATOR 7: EXPANDING HOUSING OPPORTUNITIES

PHA Fiscal Year	Indicator Score	Confirmed Score	Indicator Goal	Responsible PHA Staff	Responsible HUD Staff
6/30/2006	5	0	5		Theodore W. Skonos

The PHA has adopted and implemented a written policy to encourage participation by owners of units located outside areas of poverty or minority concentration; informs rental voucher holders of the full range of areas where they may lease units both inside and outside the PHA's jurisdiction; and supplies a list of landlords or other parties who are willing to lease units or help families find units, including units outside areas of poverty or minority concentration. (24 CFR 982.54(d)(5), 982.301(a) and 982.301(b)(4) and 982.301(b)(12))

Possible Scores: 5 points, 0 points

Assessment Results:

- ◆ No documentation that the PHA has analyzed whether it is appropriate to seek approval of exception payment standard amounts in any part of its jurisdiction
- ◆ No documentation that the PHA has analyzed whether rental voucher holders have experienced difficulties in finding housing outside areas of poverty or minority concentration.
- ◆ No written policies in its administrative plan, which includes actions the PHA will take to encourage participation by owners of units located outside areas of poverty or minority concentration.

PHA Goal: Develop, adopt and put into service the plan elements, staff resources and management reviews needed to fully comply with the requirements identified above.

PHA Strategies:	Target completion date	Actual completion date
Adopt and implement a written policy that reflects the regulations for this indicator.		
List specific steps and target dates that will encourage participation by owners of units located outside areas of poverty or minority concentration. Maintain evidence of finishing the steps and their completion date.	7/31/07	
Describe a method for collecting data showing whether or not voucher holders experienced difficulties in finding housing outside of areas with poverty and minority concentrations.	8/31/07	
Develop a procedure for analyzing data collected to determine whether or not households experience difficulties, what kind of difficulties, and whether or not the authority can do anything to address the identified difficulties.	11/30/07	
Incorporate all of the items above into the authority's administrative plan, and provide HUD with a draft before any review by the advisory commission or public comment period.	1/31/08	
Adopt the revisions to the administrative plan. Provide HUD with a copy of the notarized resolution.	2/28/08	

Assign and train appropriate staff on the new policy and procedures concerning the authority's efforts to expand housing opportunities. Provide HUD with a copy of the schedule for training sessions, and copies of attendance rosters.	2/28/08	
Establish filing practices for documenting the steps taken to comply with the new elements of the administrative plan.	2/28/08	

INDICATOR 8: PAYMENT STANDARDS

PHA Fiscal Year	Indicator Score	Confirmed Score	Indicator Goal	Responsible PHA Staff	Responsible HUD Staff
6/30/2006	5	5	5		Theodore W. Skonos

The PHA has adopted a payment standard schedule that establishes voucher payment standard amounts by unit size for each FMR area in the PHA jurisdiction, and, if applicable, separate payment standard amounts by unit size for a PHA-designated part of an FMR area, which payment standards do not exceed 110 percent of the current applicable published FMRs and which are not less than 90 percent of the current applicable published FMRs (unless a higher or lower payment standard amount is approved by HUD). (Sec. 982.503 of this chapter.)

Possible Scores: 5 points, 0 points

Assessment Results:

- ◆ The PHA has adopted a correct payment standard schedule for each FMR area in the PHA jurisdiction.
- ◆ The PHA's payment standards are reviewed and adjusted annually.

PHA Goal: The PHA's voucher program's payment standard schedule contains payment standards that do not exceed 110 percent of the current applicable published FMR and which are not less than 90 percent of the current applicable published FMR (unless a higher or lower payment standard amount is approved by HUD).

PHA Strategies:	Target completion date	Actual completion date
Maintain the level of effort for applying the correct payment standards when recertifying clients.	6/30/07	

INDICATOR 9: ANNUAL REEXAMINATIONS

PHA Fiscal Year	Indicator Score	Confirmed Score	Indicator Goal	Responsible PHA Staff	Responsible HUD Staff
6/30/06	0	0	5		Theodore W. Skonos
The PHA completes a reexamination for each participating family at least every 12 months. (24 CFR 5.617).					
Possible Scores: 10 points, 5 points, 0 points					
Assessment Results: <ul style="list-style-type: none"> Problems with reexaminations stem from workers not conducting them on time, and their database's inability to alert staff when reexams were due. 					
PHA Goal: Fewer than 5 percent of all PHA reexaminations are more than 2 months overdue.					
PHA Strategies:				Target completion date	Actual completion date
Maintain the level of effort to bring overdue reexaminations current. Report to HUD, and the Board, monthly on the number of overdue reexaminations.				6/30/07	
Use PIC/MTCS to identify the next three months of reexaminations coming due, i.e., the clients who should receive their initial letter for reexamination in the next three months.				10/31/07	
Verify that the new software package will generate lists of clients whose reexam process needs to begin, on a monthly basis.				9/30/07	
Report to HUD, on a monthly basis, the list of clients sent initial letters about their reexam.				11/30/07	

INDICATOR 10: CORRECT TENANT RENT CALCULATIONS

PHA Fiscal Year	Indicator Score	Confirmed Score	Indicator Goal	Responsible PHA Staff	Responsible HUD Staff
6/30/06	5	0	5		Theodore W. Skonos
<p>The PHA correctly calculates (<i>tenant rent in the rental certificate program and</i>) the family's share of the rent to owner in the rental voucher program. (24 CFR 982 subpart K).</p> <p style="text-align: right;">Possible Scores: 5 points, 0 points</p>					
<p>Assessment Results:</p> <ul style="list-style-type: none"> HACoLA has problems with their software that would provide incorrect data to PIC. 					
<p>PHA Goal: MTCS shows that the percent of tenant rent and family's share of the rent to owner calculations that are incorrect based on data sent to HUD by the PHA on Forms HUD-50058. The MTCS data used for verification cover only voucher program and regular certificate program tenancies, and do not include rent calculation discrepancies for manufactured home owner rentals of manufactured home spaces under the certificate program or for proration of assistance under the noncitizen rule. MTCS data indicate that 2 percent or fewer of PHA tenant rent and family's share of the rent to owner calculations are incorrect.</p>					
PHA Strategies:				Target completion date	Actual completion date
Review PIC/MTCS for error reports concerning rent calculations; Submit a copy of each review summary to HUD for comment.				7/31/07	
Track the source of each error – software or user error. Provide HUD with monthly summaries of the error sources.				7/31/07	
Improve data submission to zero critical errors, and 50% fewer non-fatal errors.				10/31/07	

INDICATOR 11: PRE-CONTRACT HOUSING QUALITY STANDARDS (HQS) INSPECTIONS

PHA Fiscal Year	Indicator Score	Confirmed Score	Indicator Goal	Responsible PHA Staff	Responsible HUD Staff
6/30/06	5	5	5		Theodore W. Skonos
The PHA's newly leased units pass HQS inspection on or before the beginning date of the assisted lease and HAP contract. (24 CFR 982.305).					
Possible Scores: 5 points, 0 points					
Assessment Results: <ul style="list-style-type: none"> Housing Authority has records indicating that they complete HQS inspections before the execution of the HAP contract. 					
PHA Goal: MTCS report—Shows 98 to 100 percent of newly leased units passed HQS inspection before the beginning date of the assisted lease and HAP contract.					
PHA Strategies:				Target completion date	Actual completion date
				Maintain this level of effort for pre-contract inspections.	6/30/07

INDICATOR 12: ANNUAL HQS INSPECTIONS

PHA Fiscal Year	Indicator Score	Confirmed Score	Indicator Goal	Responsible PHA Staff	Responsible HUD Staff
6/30/06	0	0	5		Theodore W. Skonos
MTCS report shows percent of HQS inspections that are more than 2 months overdue.					
Possible Scores: 10 points, 5 points, 0 points					
Assessment Results: <ul style="list-style-type: none"> Currently, more than 10% of inspections are late. 					
PHA Goal: Fewer than 5 percent of annual HQS inspections of units under contract are more than 2 months overdue.					
PHA Strategies:				Target completion date	Actual completion date
Maintain the level of effort to bring overdue inspections current. Begin reporting to HUD, and the Board, monthly on the number of overdue inspections.				6/30/07	
Use PIC/MTCS to identify the next three months of inspections coming due, i.e., the clients and landlords who should receive their initial letter for inspections in the next three months.				10/31/07	
Verify that the new software package will generate lists of clients whose inspection process needs to begin, on a monthly basis.				9/30/07	
Report to HUD, on a monthly basis, the list of clients and landlords sent initial letters about their inspections.				11/30/07	

INDICATOR 13: LEASE-UP

PHA Fiscal Year	Indicator Score	Confirmed Score	Indicator Goal	Responsible PHA Staff	Responsible HUD Staff
6/30/06	0	0	15		Theodore W. Skonos

The PHA executes HAP contracts for the number of units under budget for the year scored. Alternatively, the PHA uses the funds allocated to it for the calendar year appropriated.

Possible Scores: 20 points, 15 points, 0 points

Initial Assessment Results:

- HACoLA's lease-up rate is deficient at 86%
- HACoLA has initiated lease-up tracking and monitoring. The Authority has developed a draft action plan to address their deficient lease-up rate
- HACoLA's low fund utilization will significantly reduce its allocation for calendar 2007.

PHA Goal: Percent of funds used during the last completed calendar year as determined by taking the PHA's funds spent during the calendar year ending during the year being scored, and dividing by the funds allocated as shown on the FMC funds allocation record for the same calendar year. A percent of funds spent during the calendar year less than 95% earns zero (0) points; a percent of funds spent between 95 and 98 % earns 15 points; a percent of funds spent of 98 % or more earns 20 points.

	Target completion date	Actual completion date
PHA Strategies:		
Review and estimate annual budget authority for calendar 2007, based on the December 2006 funds-expended position for HACoLA. Provide HUD with a report that indicates the funds that most likely will be allocated, based on the under-utilized budget authority in 2006.	4/30/07	
Analyze the cycles from past years to estimate how the need for funds will fluctuate during 2007. Submit a copy of this analysis to HUD for comment.	5/31/07	
Develop procedures for determining how the authority will reduce its voucher load, if necessary, during 2007 and later years.	9/30/07	
Identify steps HACoLA will take, with due dates, to finish calendar 2007 with 95% or more of its funds spent. Submit a copy of these steps to HUD for comment.	5/31/07	
Investigate any opportunities for HUD to transfer vouchers to HACoLA during 2007. Submit a copy of the results of your investigation to the local HUD office for comment.	8/31/07	

INDICATOR 14: FAMILY SELF-SUFFICIENCY (FSS)

PHA Fiscal Year	Indicator Score	Confirmed Score	Indicator Goal	Responsible PHA Staff	Responsible HUD Staff
6/30/2006	8	8	10		Theodore W. Skonos

The PHA has enrolled families in the FSS program as required, and the extent of the PHA's progress in supporting FSS by measuring the percent of current FSS participants with FSS progress reports entered in MTCS that have had increases in earned income which resulted in escrow account balances. (24 CFR 984.105 and 984.305)

Possible Scores: 10 points, 8 points, 5 points, 3 points, 0 points

Initial Assessment Results:

- ◆ The PHA has mandatory FSS program with 850 mandatory slots; it filled only 64 percent of these.
- ◆ 37 percent of enrolled households have escrow account balances.
- ◆ PHA has correct information reported on the SEMAP certification concerning FSS families who have moved under the portability to the jurisdiction of another PHA.

PHA Goal: The PHA fills 80 percent or more of its mandatory FSS slots.

PHA Strategies:	Target completion date	Actual completion date
Determine the number of mandatory FSS slots after accounting for graduates. Submit a copy of the supporting documentation for the new number. Determine if a request for a reduction in program size is warranted and supportable. Maintain documentation to support program size.	7/31/07	
Identify new, additional methods, which might attract additional participants. Submit a copy to HUD for comment.	8/31/07	
Incorporate these into the draft FSS Action Plan.	9/30/07	
Review and revise FSS Action Plan, as needed, to establish the new requirements in the PHA's program. Provide appropriate public comment opportunities. Adopt this revision to the authority's administrative plan, and submit a copy of the adopted, notarized resolution to HUD	11/30/07	
Open enrollment in the FSS program according the FSS Action Plan, in the administrative plan, at least up to an amount that accounts for those participants who have graduated.	12/31/07	
Schedule and complete training on new practices and policies for appropriate staff.	12/31/07	
Scheduled Orientation Workshops for 2/07, 3/07, 1/08, and 3/08 for new participants. Submit a copy of the sign-in sheet to.	3/31/08	

Evaluate marketing and workshop effectiveness, and develop follow-up activities based on this evaluation. Submit a copy of your analysis to HUD for comment.	4.30/08	
Report quarterly to HUD and the Board the mandatory size for the program, the number and percentage of households enrolled, and the number and percentage of enrolled households with escrow accounts.	9/30/07	
PHA Goal: PHA helps 30 percent or more of FSS households have an escrow account balances		
Establish regional, which offer opportunities for increased income, and escrow accounts for each participant.		
Scheduled Continuation Workshop(s) for people with contract more than 3 months old, on a schedule that makes sense for the participants. Complete these workshop(s), and evaluate the effectiveness of this additional method of follow-up. Submit a copy of the sign-sheet, and the evaluation to HUD.		
Determine the balance in the escrow accounts for each participant.		
Verify that any requisition for escrow funds from participants is eligible and valid.		

ADDENDUM TO CORRECTIVE ACTION PLAN

Notwithstanding anything contained in this Corrective Action Plan to the contrary, the Housing Authority shall be under no obligation to accept, adopt, or implement any analysis or recommendation by any consultant or contractor retained by HUD to assist the Housing Authority (HUD Advisor).

The HUD Advisor's role to the Housing Authority shall be strictly advisory in nature, and the Housing Authority shall have final decision-making authority with respect to any analysis or recommendation by the HUD Advisor.

The Housing Authority shall not be penalized by HUD in any way, including in any evaluation under SEMAP or this Corrective Action Plan, for not accepting, adopting, or implementing any analysis or recommendation of the HUD Advisor.

The HUD Advisor shall assist the Housing Authority in specific areas to be expressly identified by the Executive Director of the Housing Authority (Executive Director) or his designee in writing, as may be amended from time to time. The HUD Advisor shall work directly with the Executive Director and his staff and shall present all analyses and recommendations directly to the Executive Director.



Carlos Jackson
Executive Director

**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office

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Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

August 22, 2007

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

**APPROVE AMENDMENT NO. 1 TO CONTRACT WITH DEL
RICHARDSON AND ASSOCIATES, INC. FOR HOUSING LOCATOR
SERVICES
(ALL DISTRICTS)**

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners find that the Amendment No. 1 to the contract for housing locator services (Contract) is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the activities are not defined as a project under CEQA.
2. Recommend that the Board of Commissioners authorize the Executive Director to execute Amendment No. 1 to the Contract between the Housing Authority and Del Richardson and Associates, Inc. (Consultant) for housing locator services, to increase the compensation amount by up to \$750,000 in funds to be received from the Department of Social Services (DPSS), to extend the term of the Contract through December 31, 2008, with two one-year options to extend, and to increase the number of recipients of housing locator services by 1,000, following approval as to form by County Counsel.
3. Recommend that the Board of Commissioners authorize the Executive Director to execute any necessary, non-monetary amendments to the Contract for the purposes described above, following approval as to form by County Counsel.

4. Recommend that the Board of Commissioners authorize the Executive Director to accept up to \$750,000 in funds from DPSS and incorporate said funds, as needed, into the Housing Authority's approved 2007-2008 fiscal year budget.

PURPOSE OF RECOMMENDED ACTION/ JUSTIFICATION:

The purpose of this action is to authorize the Executive Director to execute Amendment No. 1 to the Housing Authority's Contract with Consultant for housing locator services. The Amendment will increase the Contract amount by \$750,000, extend the term of the Contract, and increase the number of clients to be served by 1,000, all of whom are DPSS CalWORKS families and also Section 8 voucher holders or on the Section 8 waiting list.

FISCAL IMPACT/ FINANCING:

DPSS will provide up to \$750,000 in funding to the Housing Authority on a reimbursable basis. There is no impact on the County general fund.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On July 25, 2006, the Consultant entered into a contract with DPSS to provide housing locator services for homeless CalWORKs families. The competitive procurement process conducted by DPSS allows other County departments and agencies to retain the Consultant to perform similar services for a similar purpose. On April 3, 2007, the Board of Commissioners instructed the Executive Director of the Housing Authority to provide monthly reports on the Housing Choice Voucher (Section 8) Program, and to identify \$300,000 in Housing Authority funds for housing locator services to increase voucher utilization and improve the lease-up rate for the program, without negatively impacting services supported by the Housing Authority's current budget. On April 16, 2007, the Executive Director reported to the Board that Housing Authority administrative fund reserves could be used for the needed services. On June 1, 2007, the Housing Authority entered into the Contract with the Consultant, an experienced housing locator firm.

The Housing Authority has collaborated with DPSS to create a mutually beneficial arrangement with the Consultant. The Housing Authority has set aside

100 Section 8 Vouchers for homeless individuals and families currently receiving assistance under the DPSS CalWORKS Program. In return, DPSS will provide \$750,000 in funding to the Housing Authority on a reimbursable basis. This DPSS budgeted funding was earmarked to locate housing for their homeless clients and CalWORKS families, but much of these funds have remained unutilized because landlords are reluctant to rent to persons who cannot document sufficient income to ensure monthly rental payments. The HACoLA and DPSS collaboration seeks to address this issue by providing DPSS clients with Section 8 vouchers and housing locator services.

By amending the Contract to increase funding and extend the term, the Consultant will be able to provide more effective housing locator services for 1,000 DPSS clients, 400 of whom are currently Section 8 voucher holders and 600 of whom are on the Section 8 waiting list. The services include tenant counseling in housing search techniques, landlord outreach, program marketing, transportation services, and tenant advocacy.

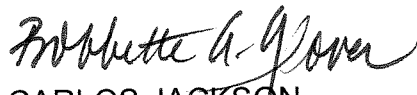
ENVIRONMENTAL DOCUMENTATION:

This action is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34(a)(3) because it involves administrative activities that will not have a physical impact on or result in any changes to the environment. These activities are not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378 because they are not defined as a project under CEQA and do not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT PROJECT:

The proposed Amendment No. 1 will increase the Contract amount by up to \$750,000, extend the term of the Contract, and increase the number of clients to be served by 1,000, all of whom are DPSS CalWORKS families and also Section 8 voucher holders or on the Section 8 waiting list.

Respectfully submitted,


for CARLOS JACKSON
Executive Director